WORKPLACE SAFETY AND INSURANCE BOARD

Annual Report 2000

Ontario's Workplace Safety and Insurance Board (WSIB) plays a key role in the province's occupational health and safety system. The WSIB is committed to the prevention of workplace injuries and illnesses, and administers no-fault workplace insurance for employers and their workers. The WSIB provides disability benefits, monitors the quality of health care, and assists in early and safe return to work for workers who are injured on the job or contract an occupational disease.

The cover of this year's annual report shows details from two works of art that form a permanent monument which was unveiled on November 1, 2001 by WSIB Chair Glen Wright. Anonymity of Prevention *by Derek Lo and Lana Winkel shows a construction worker carving the words "Remembering Our Past ... Building a Safe Future" into a granite wall.* 100 Workers *by John Scott and Stewart H. Pollock consists of 100 plaques on the same granite wall. Each plaque represents a year from 1901 to 2000. The first 99 are engraved with the date, the name, and the cause of death of a worker who died that year. The 100th plaque is blank.*

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ISSN 1487-1955

101-06311/

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chair's

"It's not just our families that suffer when loved ones are injured at work; it's our whole community that suffers. That's why we have to remember that each one of us can make a difference."

Many significant achievements and events marked the year 2000. We continued our commitment to achieving a financially secure foundation, while we improve service to employers and injured workers and support and promote the reduction and the elimination of injuries and illnesses in Ontario's workplaces.

For the sixth consecutive year, the unfunded liability was reduced. It now stands at under $6 billion – approaching a 50 per cent reduction since 1995. The average premium rate has also been reduced and stands at $2.13 per $100 of insurable payroll in 2001. This is a 29 per cent decrease since 1995.

As we have made progress financially, we have also seen significant improvements in the service we provide to injured workers and employers. In 2000, an Angus Reid survey found that a full majority of both groups were satisfied with their experience with the WSIB. Further, a majority of employers and injured workers were satisfied with the service provided by adjudicators; while 69 per cent of injured workers spoke highly of their dealings with the nurse case managers. This is proof positive that our restructuring efforts are starting to have significant productive outcomes. The efforts of our staff over the past four years are paying off. Those we serve are starting to see tangible results.

As we continue to reposition the organization to realize our vision we are

seeing success in our prevention initiatives. Prevention is not a by-product at the WSIB. It is fundamental to the way we manage our business. This year the Safe Communities Incentive Program grew to include 19 communities and rebates of one million dollars. The WSIB contributed to a teacher's guide, *Live Safe! Work Smart!* that will be part of young people's education in Grade 9 and 10. We reached more Ontarians than ever through our public awareness campaign. As well, new levels of co-operation and partnership were reached among the health and safety organizations across the province. More and more people are realizing that if we work closely together we can make a difference.

The Board of Directors, as a Millennium project, commissioned a monument commemorating the workers who lost their lives on the job over the past 100 years. This was the first time since the WSIB's inception in 1914 that we recognized these workers. At the unveiling, family members of those honoured by the monument expressed their grief. Their personal tragedies are also their communities' loss. Their suffering, as depicted by the monument, serves as a constant reminder to the over 4,000 people who work at the WSIB of the importance of our work.

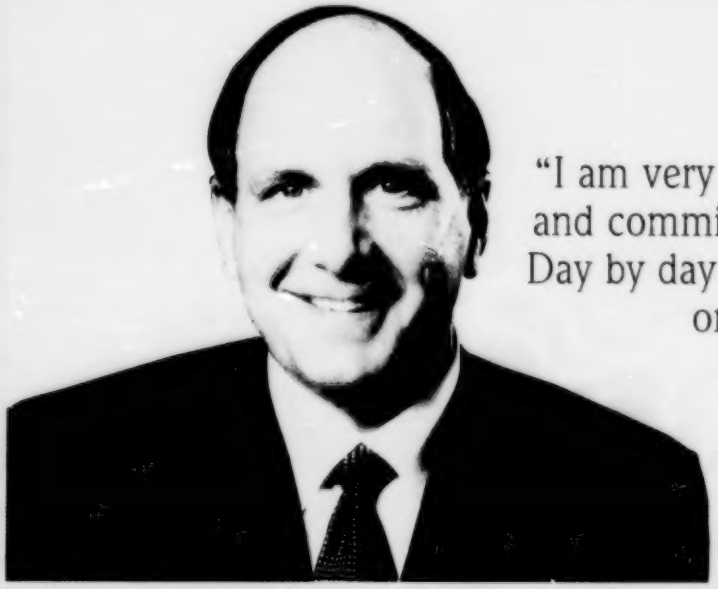
At the Board of Directors, the appointment of Dr. Dorothy Pringle in 2000 has made a difference. Dr. Pringle has brought significant experience in health care and corporate governance to the WSIB. I thank Vice Chair Eileen Mercier and all of the Directors for their continued support and tireless effort.

With any large-scale change there is a significant challenge; however, our focus is clear and our goals well defined. Our staff and management, led by President David Williams, are to be commended for their daily commitment to the achievement of our objectives.

I am confident that we will continue to be successful if we remember our past, while we work together to build a safer future.

Glen Wright

president & CEO's



"I am very proud of the dedication and commitment of all of our staff. Day by day they are building a new organization ..."

The dedication of the workers' monument, shown on the cover, was a special day for me and for all of our staff at the Workplace Safety and Insurance Board. The monument is a daily reminder of the tragic consequences that injuries and illness in the workplace can have. It is also an affirmation of the commitment of all of our staff and our partners in occupational health and safety to reduce those tragedies.

After the dedication ceremony, which was attended by the families of many of the workers whose names appear on the monument, we invited those family members to join with our staff for an informal visit and meal. It was an intense and emotional time. For the families, it was a time to reflect, to grieve, but also to look for an opportunity to find some solace in the knowledge that they do not grieve alone. For our staff, it was a chance to reach out directly and personally to the people we serve. Not to interpret a policy, adjudicate a claim, or write a letter, but to hear first hand, face to face, how it is often the little things they do that can make all the difference. None of us came away from that day untouched. Our individual and professional resolve to prevent workplace injuries and illnesses grew stronger through the personal contacts each of us made with those families.

There are, of course, many other highlights from 2000. There has never been a year when we spent more time and energy learning about the needs of our customers and clients. Through focus groups, surveys, questionnaires, trade shows, consultation meetings, visits and phone contacts, we gained a tremendous amount of insight into the kind of improvements to our products and services that our customers and clients value the most. And we turned that insight into results. We settled more claims more quickly, with fewer appeals. We built new partnerships with employers, employees, and communities to help prevent injuries and illness. We funded research in occupational health and safety issues. We raised public awareness around risks to young workers just entering the workforce. We improved many of our forms and publications. And we attracted more than one-and-a-half million users to our Web site.

When a workplace tragedy does occur, we are working harder to mitigate the impact on the lives of all who are affected. Our service delivery teams ensure that an injured worker receives the full range of health care and support, aimed at a safe and early return to work. Other team members work with the employer to facilitate the worker's return and restore full productivity to the business. Both employers and workers are telling us in increasing numbers that the team approach works. Workers understand more clearly the steps in their treatment and recovery. Employers can focus on returning their business to full productivity with the added advantage of counsel and support to prevent further injuries in their workplace in the future.

"There has never been a year when we spent more time and energy learning about the needs of our customers and clients."

I am very proud of the dedication and commitment of all of our staff. Day by day they are building a new organization at the Workplace Safety and Insurance Board. I hope you will take the time to read through the rest of this annual report. You will meet many of my colleagues and learn how they are making our mission a reality. We are all inspired by the vision of an Ontario that is a safer and healthier place to work for us and for our children.

There is still much to be done to fulfill our dream of an organization that is a leader in health and safety, financially secure, and one that is trusted and valued by all its customers and clients. In 2000, we moved closer to realizing that dream, and I believe that our people have the will and the expertise to continue to move us forward in the years to come.

David Williams

board

l. to r. Chris Griffin, John Gardner, Eileen Mercier, David Williams, Dorothy Pringle, Patrick Dillon, Glen Wright

Patrick Dillon, Member, Board of Directors (July 17, 1996 to July 16, 2001)
Patrick Dillon is Business Manager of the Provincial Building and Construction Trades Council of Ontario and President of the Ontario Construction Secretariat. He brings a wealth of knowledge and experience to his role in health and safety issues. Mr. Dillon has also served on a number of volunteer boards, including the Board of Directors of the Hamilton-Burlington United Way and as President of the East Hamilton Optimists.

John Gardner, Member, Board of Directors (April 30, 1997 to April 29, 2002)
John Gardner is a Fellow of the Society of Actuaries and the Canadian Institute of Actuaries and, with his extensive actuarial background, brings a solid understanding of key insurance principles to the Board of Directors. Mr. Gardner holds directorships in insurance and academic enterprises. He served as President of Sun Life Assurance Company for 10 years prior to his retirement in August 1996, concluding a career at Sun Life that began in 1961.

Chris Griffin, Member, Board of Directors (July 8, 1998 to July 7, 2003)
Chris Griffin's exceptional community involvement and fire-fighting skills were recognized in 1983 when he was selected 'Fire-fighter of the Year' by the Oshawa Kiwanis Club. A dedicated promoter of health and safety, Mr. Griffin is a qualified Director of Training and participates in the training of new fire fighters. He was promoted to Captain in 1997.

Eileen Mercier, Vice Chair, Board of Directors (November 5, 1999 to November 4, 2002) (Mrs. Mercier served as Chair from May 5, 1999 to November 4, 1999, and as Member from July 17, 1996 to July 16, 1998 and July 17, 1998 to May 5, 1999)
Eileen Mercier is President of Finvoy Management Inc., a management consulting firm specializing in financial strategy, restructuring/turnaround and shareholder relations issues. Mrs. Mercier has 30 years of senior financial, strategic and change management experience. She has served as Chair of Wilfrid Laurier University and is currently a member of the Board of Directors of York University, the University Health Network, and several Canadian public companies.

Dr. Dorothy Pringle, Member, Board of Directors (April 19, 2000 to April 18, 2002)
Dorothy Pringle is a nurse with a Ph.D. in Nursing from the University of Illinois. She has a long and distinguished career as a researcher and educator, including 11 years as the Dean of Nursing at the University of Toronto. Dr. Pringle has served as a member of the Board of Governors of the Toronto Hospital, the Queen Elizabeth Hospital and Sunnybrook Health Sciences Centre. She is currently a board member at the Bayview Centre for Geriatric Care.

David Williams, President, Board of Directors (May 1, 1998 to April 30, 2001 and May 1, 2001 to June 30, 2004)
David Williams is actively involved in many industry, government and community initiatives. He is Chair of the Canadian Centre for Studies of Children at Risk, Director of The Learning Partnership, Member of the Ontario Institute for Studies in Education of the University of Toronto, Member of the Breakfast for Learning, and a Board Member of the Toronto Hydro and Energy Corporation. Mr. Williams moved through the ranks in the retail industry to become one of the three senior officers of the George Weston Group. He served as Chief Financial Officer of Loblaws Company and then as President of National Grocers.

Glen Wright, Chair, Board of Directors (July 17, 1996 to May 5, 1999 and November 5, 1999 to November 4, 2002)
Glen Wright has more than two decades of experience in the health and disability insurance field and is chair of the Cowan Insurance Group. In addition, Mr. Wright serves as a Director of PrinterOn, a leading developer of imaging software. Mr. Wright was a member of Wilfrid Laurier University's Board of Governors from 1980 to 1990 and was a member of Waterloo City Council from 1980 to 1984.

Our vision:

- **The elimination of all workplace injuries and illnesses**

Our mission:

- To serve the people of Ontario by promoting safe and healthy workplaces, and by providing a comprehensive and viable insurance and support system for injured workers and employers. We are committed to fulfilling our mission with caring and excellence.

Our corporate values:

- Serving, caring, integrity and excellence

rebuilding

A workplace injury can change your entire life in an instant. Consider the story of Gerald and Karen Stacey. Three years ago they were a hardworking couple with two grown children, steady jobs and dreams of a quiet and healthy retirement. Gerald worked at a recycling facility and Karen was an office administrator.

One day in May 1998 everything changed. Shortly before lunch, Gerald was in the yard at work when he suddenly noticed a 20-ton front-end loader reversing towards him. He tried to get out of the way, but slipped on some cardboard. Before he could pull himself out of its path, one of the vehicle's five-foot wheels had crushed Gerald's body. Incredibly, he remained conscious and told the shocked driver to dial 911.

Thom Chambers of the WSIB's Serious Injury Program received a report on Gerald's accident. Among other things, it said that Gerald had a fractured pelvis. "The truth," says Thom, "was that he didn't really have a pelvis any more. It had been completely crushed." What followed for Gerald was a nightmare of re-constructive surgery. Because of the extreme pain, doctors put him in a drug-induced coma for three months.

From the outset, a Serious Injury Program team from the WSIB was overseeing every aspect of Gerald's recovery. WSIB team members Thom Chambers (Nurse Case Manager), Wayne McCullough (Claims Adjudicator), Corinne Rochwerg (Independent Living Consultant) and Cathy Cartaginese (Special Needs Controller) were so closely involved that they sometimes felt like an extension of Gerald's family.

Karen and Gerald had some negative preconceptions about the WSIB. As is often the case with new clients, we had to earn their trust. "I had to convince Karen and Gerald that we are here to open doors, not close them," says Wayne McCullough. "We all made sure we were available to help Gerald's wife Karen. She really needed us – for advice, for information, and sometimes just for company."

Gerald's home had to be completely redesigned to accommodate his special needs after he left the hospital. The renovations, co-ordinated by Corinne Rochwerg, included wheelchair accessibility, lower switch plates, a roll-in shower and large tub, and an elevator. More than a year after his accident, Gerald was finally able to come home.

Gerald's personal care allowance and support from the WSIB's Serious Injury Program lets Karen stay home and look after her husband. "I couldn't have asked for nicer people to be involved with," says Karen. "Almost immediately after Gerald's accident, the WSIB was in touch. From day one, they were so supportive ... it was really sincere service and much more than we expected. Everything was looked after."

"The WSIB looks at each case individually and acts on the unique needs of our clients," says Wayne McCullough. "Part of our job is to educate the community about the role of the WSIB in helping people like Gerald, and about the services we can provide."

Looking after Gerald is a full-time job for Karen. Working around the house and visiting her former workplace, she's much more aware of safety hazards she might not have noticed before. "We all preach safety in the workplace, but we don't all do something about it," says Karen. "We have to realize that now is the time to take on safety issues in our workplaces. That way, maybe we'll help stop others from getting hurt."

Wayne McCullough (Claims Adjudicator), Karen Stacey, Gerald Stacey, Corinne Rochwe (Independent Living Consultant Thom Chambers (Advanced Pra Nurse Case Manager) and Cathy Cartaginese (Special Nee Controller)

corporate

The fastest and most effective way to bring about change in an organization is to focus on the fundamental components of the business. In 2000, the WSIB did this with five corporate initiatives: the Health Care Model, the Occupational Disease Response Strategy, the Agility Program, the Service Delivery Strategy, and High Performance People and Teams.

The **Health Care Model** is focusing treatment for injured and ill workers on outcomes. The model will result in new co-operative and collaborative relationships between the WSIB and providers of health care, leading to enhanced care for workers. Working with the health professional and scientific communities and other key stakeholders, the WSIB is developing evidence-based programs of care for common diagnoses. In 2000, a program of care was developed for acute low back injuries and work began on a program for occupational asthma.

The goals of the **Occupational Disease Response Strategy** are prevention of occupational disease and fair and timely compensation for those affected. The first phase of the strategy restructured internal WSIB resources to better address the needs of workers with occupational diseases. We increased the number of adjudicators, hygienists and occupational medical consultants dealing with occupational diseases; established a new education program for occupational disease adjudicators; and implemented a new approach to providing expert advice during the adjudicative process. Subsequent phases of the strategy will address the development of community and industry-based partnerships to achieve more tailored and timely solutions for Ontario workplaces.

The **Agility Program** is improving our business processes and information technology. The upgrading and integrating of our computer systems is an important part of what we need to do to move the organization into the future, and to better meet the needs of our customers and clients. The goal is to provide a variety of choices for accessing our products and services. During 2000, the Agility Program worked with the WSIB's Innovation Centres/front-line teams, Senior Management Committee and Board of Directors to examine the business process and technology solution options that best meet future requirements.

Our people are now working in industry sector-specific and small business service delivery teams – providing services that have been tailored to the needs of Ontario's workers and employers. The **Service Delivery Strategy** initiative integrated this new business model into our organization. It improved work relationships between service delivery teams and other parts of the WSIB, examined the service delivery implications of the WSIB's strategic direction, and established a product development cycle.

The **High Performance People and Teams** initiative is strengthening WSIB business teams with a focus on better business outcomes, streamlined processes, more frontline decision-making, and improved customer/client service. By the end of 2000, some 200 teams province-wide – more than two-thirds of all WSIB teams, including frontline and senior management teams – had been introduced to the high performance work system.

outcomes

On October 4, 2000, the WSIB Board of Directors approved 15 corporate outcomes and associated corporate measures. All work, projects, and product development will be driven by the corporate outcomes. This will enable the WSIB to focus on improving performance to achieve desired outcomes. Work on corporate outcomes and measures will continue in 2001 and beyond. They are:

- The WSIB is the best provider of health and safety products and services in the Province of Ontario
- Earliest possible recovery of injured and ill workers to maximum functionality
- Return to work is safe, suitable, timely and sustainable for injured and ill workers
- Continuous reduction of workplace accidents, injuries, illnesses and deaths through effective internal responsibility systems in Ontario workplaces
- The WSIB is the healthiest and safest workplace in Ontario
- Correct and timely decisions that are well understood by all workplace parties
- All workplace parties and providers are treated in an individualized, caring and respectful way
- Products and services that are appropriate, timely, easy to use and respond to the needs of workplace parties and providers
- WSIB policies are fair and equitable, and balance the needs of all workplace parties and providers
- Competitive, appropriate rates that fully fund the Schedule 1 system in total and at the class level
- Schedule 2 employers are securely funded
- Workplace parties and providers fully comply with their respective obligations
- Investments are managed in an effective fashion that maximizes return within an acceptable level of risk
- The Insurance Fund has an adequate reserve for future injury and disease costs
- The WSIB's administration, products, services and programs are cost-effective

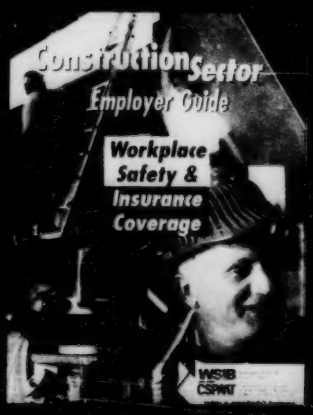
service

Renee DiGiuseppe (Customer Service Representative: Small Business)

The WSIB has come a long way since we established service delivery teams to serve small businesses and industry sectors. Since then, we've made it our business to spend time with our customers (employers) and our clients (workers) learning about their businesses and their workplaces, and we're developing the products, services, and initiatives that they tell us they need. WSIB customers and clients now have dedicated teams of professionals looking after their specific needs. These teams are out in the community sharing health and safety information, helping people recover after workplace injuries and illnesses, and registering new businesses. In 2000, nearly 24,000 WSIB customers were visited personally by WSIB staff, and survey results prove that customer satisfaction improved significantly.

The WSIB is improving Ontario's workplace health and safety system with a co-operative approach and a strong presence in the community. We have helped to establish Industry Sector Interagency Groups (SIGs) to better align the health and safety system by co-ordinating prevention in each industry sector. SIGs are made up of representatives from the WSIB, the Safe Workplace Associations, training centres and clinics and the Ministry of Labour. Similarly, Sector Advisory Committees (SACs) enhance services by involving workers, injured workers, and employers in tracking issues in specific sectors.

In 2000, the WSIB worked closely with Ontario's industry sector representatives and Safe Workplace Associations, training centres and clinics on a range of successful projects. What follows is a summary of some of the work we did in Ontario's industry sectors.



In the small business and the construction sectors, the WSIB conducted a focus group program across the province. The program's objective was to learn about the WSIB's small business and construction customers and clients and respond to their needs with new products, services and initiatives. (Similar programs were also conducted in other industry sectors.) We listened, and acted on what we heard. A variety of new materials were produced and focus tested in 2000, including a *Small Business Employer Guide*, a worker brochure, and a simplified "In Case of Injury at Work" poster.

We worked with the construction industry (management, labour, safety groups, and business organizations) in 2000 to develop a consensus on the future of the industry in Ontario. These strategic planning sessions focused on funding, rate groups, the underground economy, small contractors, prevention of injuries and illnesses and independent operator status. The Construction SIG identified 225 firms with unusually high rates of injury and illness and offered special assistance with health and safety. It also developed a resource folder with information on managing health and safety in the construction industry. The WSIB, construction employers and unions continue working on return to work and re-employment regulations for the industry.

Along with the other members of the Mining SIG, the WSIB participated in the Minister of Labour's study "The Internal Responsibility System in Ontario Mines." Work also continued on other prevention initiatives for the mining sector, and on a health and safety education project in post-secondary institutions.

WSIB representatives gave presentations in 2000 at regional mining health and safety meetings, including those organized by the Mines and Aggregates Safety and Health Association (MASHA), Superior Health and Safety Group, Porcupine Health and Safety Group, the Ontario Mine Contractors Safety Association and the Aggregate Producers of Ontario.

With the help of the Automotive SIG, the WSIB developed three brochures in 2000 addressing specific workplace hazards and safety measures for the automotive sector. Outreach programs in this sector focused on the WSIB's experience rating program for automotive sector employers.

In the manufacturing sector, the WSIB continued its "Focus on Falls" program, and developed safety manuals for furniture manufacturers. We also worked in 2000 with the medical community to increase understanding and co-operation for early, safe return to work for manufacturing sector employees, and expanded our participation in manufacturing trade shows and seminars.

In the food sector, a machine-guarding program helped to reduce amputations and fatalities. The program was created and rolled out in 2000 to all food sector customers by the WSIB's account managers. A Food Industry Group was also created to develop a health and safety manual for the food industry. Work on this project continues in 2001.

In 2000, the WSIB worked with the Industrial Accident Prevention Association (IAPA) and the Canadian Foundries Association (CFA) on a health and safety guide for foundries. The CFA also sponsored Ontario Foundries' participation in our Safety Groups incentive program.

For the health care sector, we produced a safety booklet, *Health and Safety in the Home Care Environment*, in partnership with the Ministry of Labour and the Health Care Health and Safety Association (HCHSA). This well-received booklet was prepared in response to a need identified in 2000 by home care workers.

The WSIB and the Transportation SIG worked to reduce injuries in transportation workplaces – particularly in large firms with high injury frequencies. Regional SIGs have been created around Ontario for the transportation sector to increase the effectiveness of programs at the local level.

We developed a brochure, *The Shocking Truth About Electrical Injuries*, in co-operation with the Ministry of Labour and the Electrical Utilities Safety Association (EUSA). This brochure will be made available to all workplaces in Ontario where people work with electricity.

The "Safety in Motion" initiative was launched in 2000 in co-operation with the Services SIG to reduce strain and sprain injuries in the services sector. The WSIB also provided workplace health and safety training to more than 600 students studying tourism and hospitality at George Brown College – training that became part of their course curriculum.

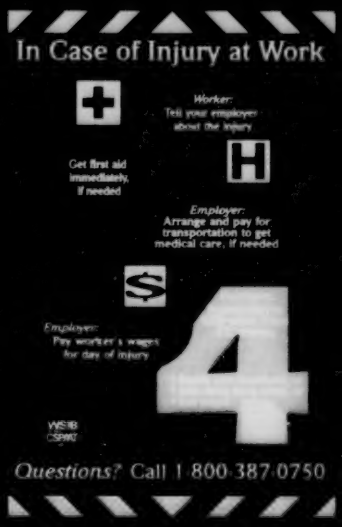
The WSIB's outreach program continued to increase our understanding as an organization of the needs of the agriculture sector. The Agriculture Safety Audit Program continued to increase awareness of health and safety in this industry sector.

Working with two of our partners, the IAPA and the Ministry of Labour, the WSIB launched a three-year "Focus on Falls" campaign for the chemical/plastics process sector in 2000. This campaign aims to reduce falls-related injuries by 30 per cent.

Working with the Forestry, Pulp and Paper SIG, the WSIB began a pilot project called "Fighting Back – No Pain, Great Gains." This project will help to prevent repetitive strain injuries in the corrugated cardboard industry. Outreach and special programs for this sector also continued in 2000.

In 2000, we built relationships, we achieved consensus on objectives, and we agreed on measures that will make the workplace safety and insurance system work better. The WSIB has helped to create a shared vision of the future by identifying the most pressing problems, and the best solutions, for each industry sector.

We know the work we're doing is paying off because our customers and clients notice the improvements and are taking the time to thank us. In fact, several of our offices now have bulletin boards where they display the messages of thanks that keep coming in. All this positive feedback tells us that we're on the right track with our service improvements. It also reminds us of our commitment to continuous improvement in the delivery of our products and services.


In Case of Injury at Work
Worker:
Tell your employer about the injury
Get first aid immediately, if needed
Employer:
Arrange and pay for transportation to get medical care, if needed
Employer:
Pay worker's wages for day of injury
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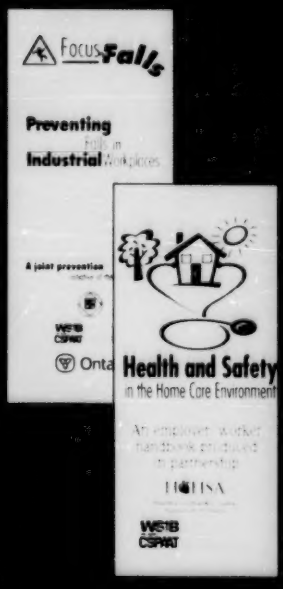
WSIB CSPAAT
Questions? Call 1 800 387 0750



Reorganization

Leo Chan is the Director of Site Operations for the Mandarin Restaurant Franchise Corporation, which runs 13 restaurants in Ontario. In 1996, soon after he took on responsibility for the company's health and safety program, one of the restaurants received a negative safety audit. He decided that action was called for and contacted the WSIB for information. He found his first contact with the WSIB (or the Workers' Compensation Board as it was called then), a frustrating experience with a confusing and unfriendly bureaucracy.

His more recent experiences with the WSIB have been very different. "It has become more businesslike and not just a place processing claims for compensation ... they're interested in getting people back to work early and safely."

He appreciates the more accessible and efficient WSIB administration, which gives him more time to focus on preventing workplace injuries and illnesses. He also appreciates having a single point of contact – his account manager – who understands his industry and his individual claims history as an employer.

"The whole world has changed," observes Mr. Chan. "Our WSIB account manager has attended our Annual Joint Heath and Safety Conference and explained to our management and staff what those figures and percentages are all about. With his help, we've developed our own Occupational Health and Safety Program and we're moving into a more organized framework of planning, implementation and self-examination."

"WSIB people now seem to be both more competent and more caring in their dealings with me as an employer," says Mr. Chan. "The good news for Ontario employers is that the WSIB is providing new opportunities to reduce operating costs by eliminating injuries and illnesses and by managing claims costs more effectively."

(... to r.: Lori Smith, Nurse Case Manager; Cheryl Moses, Claims Adjudicator; Leo Chan, Director of Site Operations, Mandarin Restaurant Franchise Corporation; Wayne White, Manager, Services Sector; Bob Vickers, Account Manager)

injuries and illnesses

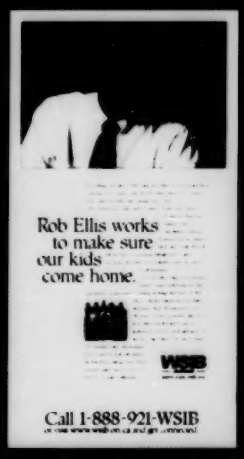
In 2000, the WSIB dispensed over $2 billion in injury and death benefits. That's the direct monetary cost of unsafe workplaces to Ontario employers. Above and beyond that is the incalculable personal cost to the people who were injured or became ill – and to those people who died – their families, their colleagues, and their friends.

The WSIB's Prevention Division continues to integrate prevention into every aspect of our business. We want our staff to support and motivate everyone they come into contact with and, by doing so, help to eliminate the costs to our community of workplace injuries and illnesses. In 2000, the WSIB helped to build a safer future by aligning Ontario's workplace health and safety system; raising awareness and understanding of workplace health and safety in the community; providing health and safety incentives; and funding research projects.

OHSCO
COSSO

In February 2000, the Ontario Council of Health and Safety Associations (CHSA) became the Occupational Health and Safety Council of Ontario (OHSCO). As well as members from the Safe Workplace Associations, training centres and clinics and the Ministry of Labour, this new organization includes WSIB senior managers – reflecting the arrival of the WSIB at the frontlines of prevention. OHSCO gives its member organizations a common purpose as never before, and represents a new level of co-operation in Ontario's workplace health and safety system.

Also demonstrating a new level of cooperation is the Health and Safety Way exhibit. This is a presentation of a vision of the future of Ontario's workplace health and safety system. Each of the OHSCO organizations are represented in a unified exhibit and information center that has appeared at conferences and trade shows across the province.



A new public awareness campaign (launched in January 2001) was developed in 2000. The campaign adopted the message "Safety Starts with You," and featured television, radio, print and bus advertisements. It showcased eight prevention ambassadors – people from a range of professions and backgrounds telling their personal prevention stories. The campaign highlighted three leading causes of workplace injuries and illnesses – falls, machine hazards and occupational diseases.

In 2000, the WSIB and its prevention partners continued to focus on the health and safety of young people in the workplace because, while injuries in many age groups are declining, injuries among the 15 to 24 age group are increasing. Our summer young worker public awareness campaign featured three young men: David Ellis, who was 18 years old when he died in early 1999 after becoming entangled in a commercial bakery dough mixer; and

Stephen Mace and Matt Sagan who were both seriously injured in workplace accidents.

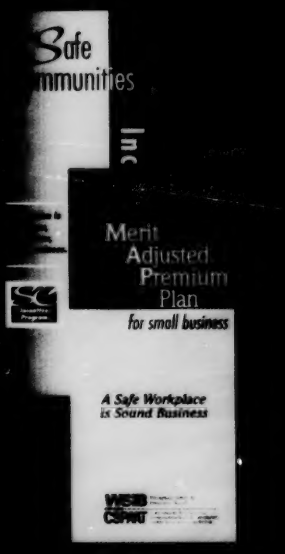
A teachers' guide, *Live Safe! Work Smart!*, was introduced in 2000. It's designed to help Ontario secondary school teachers meet the health and safety expectations in the Grades 9 and 10 curricula set out by the Ministry of Education. This project was developed in partnership with the Ministry of Labour, the Canadian Centre for Occupational Health and Safety, and Ford Canada.

The Safety Groups trial program continued in 2000. Nine groups of employers and their workplaces joined together to learn about safety and exchange best practices on prevention and return-to-work. In 2001, successful groups will reap the benefits of their achievements, which are sustainable workplace safety improvements and premium rebates.

The Safe Communities Incentive Program (SCIP) expanded to 19 Ontario communities in 2000. This community based safety incentive program awarded over $1 million in rebates to companies in communities that successfully met or surpassed safety targets.

The Merit Adjusted Premium (MAP) small business incentive program expanded to include the construction industry in 2000. Over 90,000 small businesses in Ontario now receive premium discounts or surcharges based on their health and safety performance. This straightforward program rewards injury-free workplaces and increases premiums for those that have excessive claims.

The WorkWell safety audit program was revamped in 2000 – giving it closer links to safety partners, more prevention support for workplaces in need, and industry-specific evaluations. WorkWell moved towards a more effective, collaborative program for targeting poor-performing and non-compliant workplaces.



Our research grants initiative demonstrates the WSIB's strong commitment to high quality occupational health, safety and workplace insurance research. In 2000, the WSIB's Research Advisory Council (RAC) welcomed new members as representatives of the business community. The council received 39 proposals for research into occupational health and safety and recommended 16 new proposals for subsequent funding approval by the WSIB Board of Directors.

Progress reports received in 2000 from projects funded under the Solutions for Workplace Change initiative all showed measurable progress. One project, dealing with work-related musculoskeletal disorders in the Ontario clothing industry, submitted its final report to the RAC in the fall of 2000. Investigators from the project have made several presentations of the research findings, and a clothing industry ergonomics handbook based on their findings has been developed. The WSIB also held a workshop for researchers in November 2000 to encourage proposals for high impact research projects that lead to practical results.

Ontario is one of the safest places in the world to work, but it could be safer. Each of the successful prevention initiatives described above is helping Ontario realize the WSIB's vision: the elimination of all workplace injuries and illnesses.

remembering our past...
building a safe future

making the system financially secure

Like workplace health and safety and customer satisfaction, financial security is a key to the WSIB's continued success. In 2000, we continued to work towards a more financially secure workplace safety and insurance system.

The unfunded liability means that sufficient funds are not available to fund the full life of the claims currently in the system. In 1995, an unfunded liability of $11.5 billion threatened the viability of the entire system. The WSIB has tackled this issue aggressively. By the end of 2000, the unfunded liability had been reduced to less than $6 billion. We are well on the way towards achieving our goal of eliminating the unfunded liability completely by 2014.

The WSIB has been able to reduce the unfunded liability – while simultaneously decreasing the average premium rate charged to employers – for five consecutive years. In 2001, the average premium rate is 29 per cent lower than it was in 1995 and, for 2001 alone, approximately 80 per cent of employers have seen their premium rates fall.

The work of our Special Investigations Branch (SIB) also helped to ensure the financial viability of the system for Ontario's workers and employers. Court decisions in the second half of 2000 confirmed the WSIB's legal authority to prosecute those failing to report workplace accidents and those who have provided false or misleading information. The WSIB's zero tolerance fraud and compliance strategy includes an anonymous, toll-free action line (1-888-745-3237). In 2000, SIB received 2,498 calls and laid a total of 1,070 charges.

Continued reductions in premium rates and in the unfunded liability, compliance, a successful investment program, and a sound funding strategy will ensure the ongoing viability of the workplace safety and insurance system – making Ontario a safer place to work and a better place to do business.

management discussion & analysis

In 2000, the WSIB continued to focus on its three imperatives:

- Health and safety
- Customer satisfaction
- Financial security

The WSIB made every effort to align its work with the needs of workers, employers and service providers. The WSIB recognizes that all customers and clients expect a well managed, financially sound and viable workplace safety and insurance system.

The 2000 financial results demonstrate the WSIB's continued commitment to manage the funds with which it has been entrusted effectively and efficiently. The WSIB is pleased to report an excess of revenues over expenses, increased spending on prevention of workplace injuries and illnesses, a lower average premium rate for employers, and a funding level that continues to improve.

2000 financial highlights

Excess of revenues over expenses

In 2000, the WSIB recorded an excess of revenues over expenses for the seventh year in a row. These favourable results are primarily due to the WSIB's funding strategy, which includes a component to pay down the unfunded liability, and an investment strategy designed to maximize returns within an acceptable level of risk.

Premium rates

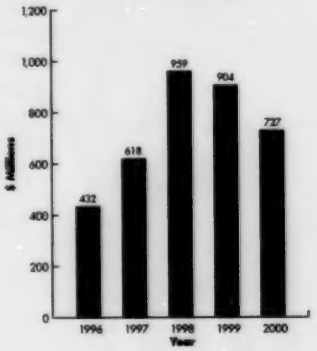
Premium rates are based on claims experience and insurable earnings. Since 1996, the WSIB has been able to decrease the average premium rate for employers by at least five per cent per year. Although the premium rates have decreased, total revenues have continued to grow and the funding ratio has improved.

Funding strategy

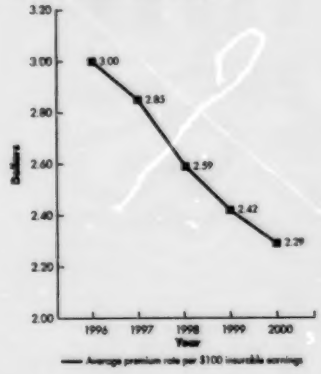
The funding strategy is on target to eliminate the unfunded liability by 2014. A review of the strategy was initiated in 1998 to address funding issues from the past and to move ahead to place the system on a solid financial track. Based on consultation and feedback, the WSIB has established a more flexible, responsive and financially sound approach to funding.

The previous strategy suggested a funding review every three to four years. The current approach calls for more frequent reviews to ensure that premium rates are adjusted in line with the success of the funding strategy. A review, undertaken in 2000, has resulted in the unfunded liability component of the premium rate being reduced ahead of the original schedule. The effect of this reduction was to lower the average premium rate.

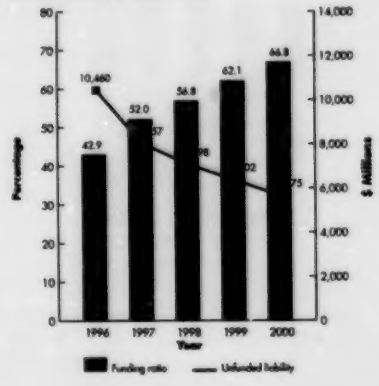
Excess of revenues over expenses



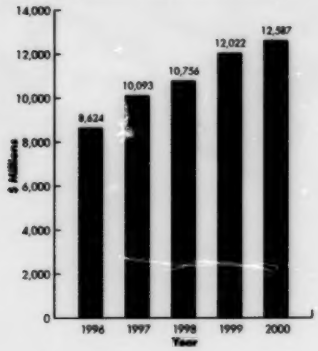
Lower premiums for employers



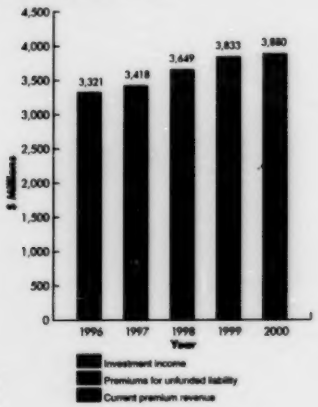
Funding ratio steadily rising



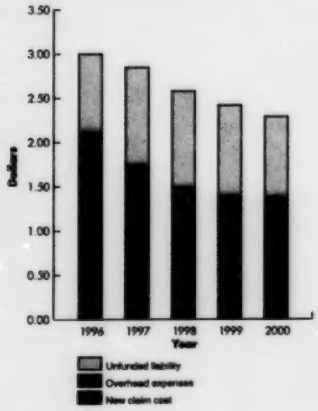
Increasing market value of investments



Increase in total revenue



Components of premium rate



The reduction in the unfunded liability is $4,785 million since 1996, when the funding ratio was 42.9 per cent. The reduction in the unfunded liability of $727 million in 2000 brings the funding ratio to 66.8 per cent, its highest level since 1981.

In 2000, a funding strategy has also been put in place for Schedule 2 employers to ensure that past liabilities are covered by financial guarantees from those employers.

Market value of investments

The market value of investments at December 31, 2000 was $12,587 million, an increase of $565 million (4.7 per cent) from 1999. The increase in market value of investments is after a cash transfer of $275 million (1999: $255 million) to operations.

Analysis of key financial statement components

Revenues

The WSIB earns revenue from premiums paid by Schedule 1 employers for coverage under the *Workplace Safety and Insurance Act*, reimbursements from Schedule 2 employers, and income from investments. Total revenues ($3,880 million) have increased by approximately 1.2 per cent ($47 million) due to a combination of growth in covered payroll, which generated higher current premiums, and higher investment income.

Premium revenue

Premium revenue is received from approximately 182,000 Schedule 1 employers who are insured through "collective liability" and approximately 850 Schedule 2 employers who are individually liable for their claims costs.

The premiums received from Schedule 1 employers include components for new claim costs and overhead expenses that cover both the current and future costs of paying and administering claims of the current year, and a component to reduce the unfunded liability.

The average premium rate in 2000 was $2.29 per $100 of insured payroll, $0.13 (5.4 per cent) less than the 1999 rate of $2.42. The 2000 rates reflect recent legislative reform and a new financially responsible funding strategy that balances the WSIB's need to keep the system financially viable for the future while keeping rates as low as possible for Ontario's employers.

Premium revenue for the year ended December 31, 2000

($ Millions)	2000	1999	Increase/ (Decrease)	Increase/ (Decrease) %
Schedule 1				
Current premiums	$ 1,555	$ 1,454	$ 101	7.0
Experience rating net refunds	(109)	(90)	(19)	(21.1)
Interest, penalties and bad debts	51	88	(37)	(42.0)
	1,497	**1,452**	**45**	**3.1**
Schedule 2 (Self-insurers)	263	255	8	3.1
Total current premiums	**1,760**	**1,707**	**53**	**3.1**
Premiums for unfunded liability	971	1,061	(90)	(8.5)
Total premium revenue	**$ 2,731**	**$ 2,768**	**$ (37)**	**(1.3)**

In 2000, total current premiums increased by 3.1 per cent ($53 million) mainly due to:

- Growth in the payroll base of 7.5 per cent to $109,237 million (in 1999, the payroll base was $101,654 million). All industries reported higher payroll figures in 2000. The largest growth in payroll occurred in the wholesale and retail, manufacturing, and construction industries. Although the payroll base increased, current premiums did not rise proportionately because of the reduced premium rates in 2000. About two thirds of all rate groups experienced a rate decrease in 2000.
- Revenue from Schedule 2 employers increased by $8 million (3.1 per cent) over 1999, reflecting higher benefit payment reimbursements.

The portion of premiums allocated to the unfunded liability decreased by $90 million (8.5 per cent) compared to 1999. The primary reason for the decline was a reduction of the unfunded liability component included in the 2000 average premium rate to $0.90 from $1.02 in 1999, a decrease of 11.8 per cent.

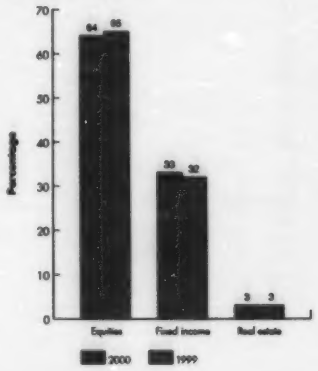
Insurance Fund

The WSIB's Insurance Fund comprises a broadly diversified portfolio of domestic and foreign equities, high-grade fixed-income securities and commercial real estate.

The investments of the fund are governed by its Statement of Investment Policy and Procedures (SIPP), which defines the policies and principles used in the deployment of the fund's assets and sets the diversified asset mix appropriate to the needs and objectives of the fund. The asset mix takes into account the nature of the fund's obligations, liabilities and funding goals, as well as the return and risk prospects of various investment asset alternatives. The SIPP also defines the governance structure and procedures to be used in the prudent management and oversight of the fund's assets and investment managers.

The investment management goals of the fund are to provide well-diversified but complementary investment management mandates and styles, which produce superior long-term returns. Returns are generated at a reduced overall level of volatility (investment risk) due to the diversity of investment approaches.

2000 – asset mix



Insurance Fund returns

One year	Three years	Five years	Ten years
8.0%	10.7%	13.0%	12.6%

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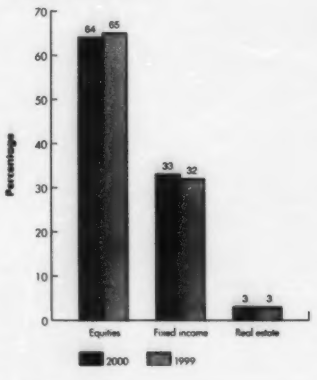
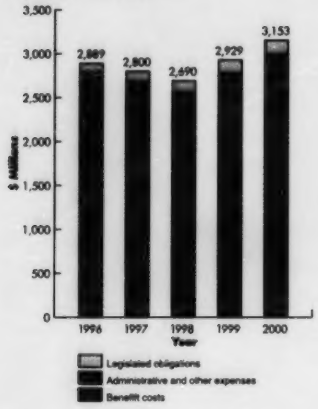


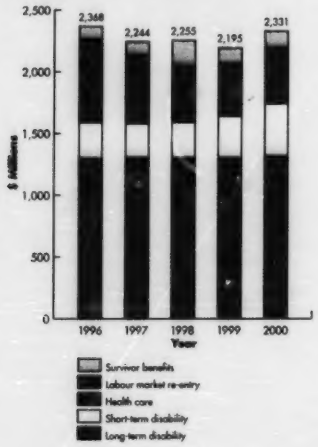
Insurance Fund returns

One year	Three years	Five years	Ten years
8.0%	10.7%	13.0%	12.6%

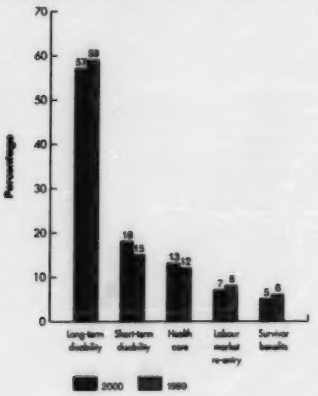
Increase in total expenses



Increase in benefit costs paid



Breakdown of benefit costs paid



Throughout most of 2000, world economies continued to expand amid very modest inflation and stable interest rates. However, equity markets suffered sharp reversals after the first quarter and, as a consequence, global equity markets declined sharply with many countries recording double-digit negative returns. Despite the poor environment for equities, the fund earned a market return of eight per cent for the year. On a long-term basis, the fund recorded a 12.6 per cent annualized return for the ten year period ended December 31, 2000.

In 2000, investment revenue increased by 7.9 per cent to $1,149 million – an increase of $84 million from the prior year, which was mainly due to higher gains on equities. In 2000, realized and unrealized gains amortized to investment revenue were $743 million – an increase of $37 million (5.2 per cent) compared to 1999.

The market value of the Insurance Fund as at December 31, 2000 was $12,558 million – an increase of $572 million (4.8 per cent) from 1999.

Expenses

Total expenses are comprised of benefit costs, administrative and other expenses, as well as legislated obligations and commitments. In 2000, total expenses increased by $224 million or 7.6 per cent mainly due to higher benefit costs.

Benefit costs

Benefit costs are influenced by factors such as changes in legislation, adjudication policies and practices, effectiveness of health care and return to work programs, and economic conditions.

Benefit costs paid

Total benefit costs paid in 2000 – excluding claim administration costs of $227 million – increased by 6.2 per cent to $2,331 million.

The increase in benefit costs paid, excluding the claim administration costs, was mainly due to higher short-term disability and health care payments.

Short-term disability costs paid increased by 25.5 per cent to $418 million, primarily due to the inclusion of loss of earnings benefit payments up to 24 months and claims where long-term entitlement is still to be adjudicated.

Health care costs paid increased by $45 million (17.6 per cent) in 2000. This was mainly due to an increase in the number of treatments for the management and care of injured workers, and an increase in medical assessments to determine what was needed to assist with their recovery. Increases in the schedule of fees for health care providers, primarily within specialty clinics, also contributed to the increase.

Benefit costs paid for survivor benefits increased by $5 million (4.1 per cent) compared to 1999. This was primarily due to higher payments for the reinstatement of spousal benefits.

Long-term disability costs paid, excluding payments from the Injured Workers Retirement Fund, increased by $16 million (1.2 per cent) to $1,323 million.

The increase in benefit costs paid was partly offset by a $15 million (8.4 per cent) decrease in labour market re-entry costs.

Change in benefits liability

The benefits liability at December 31, 2000 was $15,860 million, a $125 million increase compared to 1999 at $15,735 million. The main factors that contributed to this increase in the benefits liability included:

- $90 million – increase in benefit payments and increase in number of new lost time claims attributable to economic growth
- ($70) million – changes in actuarial methods and assumptions
- $105 million – change in personal income tax rates

Benefit costs paid in 2000 were 6.2 per cent higher than those in 1999. Some of the increase can be attributed to indexing of benefits and increases due to changes in personal income tax rates. There were three changes in personal income tax rates taken into consideration that have resulted in increased payments and have been reflected in the liability calculations.

A summary of changes in actuarial methods and assumptions made in 2000 and their effects on benefit liabilities is:

- ($140) million – change in the assumption of the proportion of Loss of Earnings (LOE) claims reaching long-term status at 24 months, from six per cent to five per cent for post 1997 claims
- $180 million – recognition of long-term cost of reassessments for claims incurred prior to 1990
- ($200) million – change in assumption of the number of Future Economic Loss (FEL) supplement cases remaining in payment status after final review, for claims incurred from 1990 to 1997
- $80 million – change in method to more accurately reflect emerging experience for temporary compensation and rehabilitation benefits for claims incurred prior to 1998
- ($80) million – change in assumption for future costs of claims administration expense
- $90 million – normal changes resulting from emerging claims experience

Continuing its commitment to financial security for its customers and clients, the WSIB has included in the benefits liability a provision of $755 million for the future costs of administering existing claims.

Change in the benefits liability for the year ended December 31, 2000

($ Millions)	[illegible]	1999	Increase/ (Decrease)	Increase/ (Decrease) %
Benefit Costs	$ 2,532	$ 2,293	$ 239	10.4
Major changes in actuarial assumptions	-	(775)	775	100.0
Provision for future claim administration costs	162	820	(658)	(80.2)
Total benefit costs (excluding net increase in Injured Worker Retirement Fund)	**2,694**	**2,338**	**356**	**15.2**
Less: benefit costs paid	2,569	2,203	366	16.6
Net increase/(decrease) in benefit liabilities	**125**	**135**	**(10)**	**(7.4)**
Benefit liabilities, January 1	15,735	15,600	135	0.9
Benefit liabilities, December 31	$ 15,860	$ 15,735	$ 125	0.8

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Sensitivity of actuarial assumptions

The actuarial assumption most susceptible to change is the investment return. The present value of future benefit payments was calculated using a net investment rate of return of four per cent for fully indexed benefits and 6.5 per cent for partially indexed benefits. The approximate impact of a 0.5 per cent increase in the assumed future net investment rates would be to reduce the benefit liabilities by $600 million.

Calculation of the benefit liabilities was based on the WSIB's mortality experience in the 1991-1995 period for injured workers and on the 1990-1992 Ontario Life Tables prepared by Statistics Canada, adjusted for mortality improvement to 1993 for surviving spouses. A reduction of five per cent in these mortality rates would increase benefit liabilities by approximately $125 million.

A ten per cent increase in injury frequency, resulting in a ten per cent increase in the number of lost time injuries in the current year, would increase benefit liabilities by approximately $100 million.

Administrative and other expenses

In addition to the regular costs of administering the *Workplace Safety and Insurance Act*, administrative and other expenses also include the costs of transforming WSIB business processes and computer systems through the Agility Program. Agility Program expenses for the year amounted to $58 million.

Excluding Agility Program expenses, administrative and other expenses in 2000 were $416 million, an increase of $29 million or 7.5 per cent from 1999. Major year over year changes include:

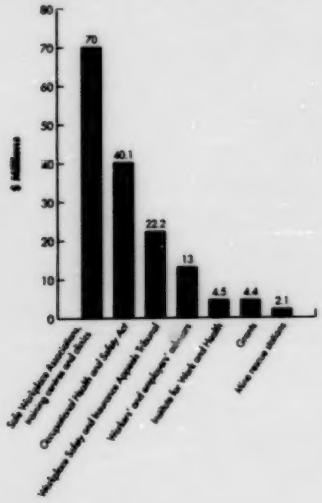
- A new accounting standard issued by the Canadian Institute of Chartered Accountants requires the use of a market-related interest rate when determining the Employee Pension Plan expense for the year. This change increased employee benefit costs and was the major component of the overall 13.9 per cent ($36 million) increase in Salaries and Employee Benefits. The increase in number of WSIB employees in 2000 and annual salary increments also contributed to the higher salaries and benefits costs.
- An increase in Equipment Maintenance and Depreciation expenses of $12 million (40 per cent), which was mainly due to the costs of improved information technology support services, such as help-desk and desk-side support, provided to WSIB employees.

Reflecting the WSIB's commitment to financial security, a provision of $820 million was made in 1999 for the future costs of administering existing claims. This provision was included in benefit liabilities. As a result, claim administration costs paid in the year are deducted from administrative and other expenses and allocated to benefit liabilities. For 2000, $227 million of claim administration costs paid were allocated to benefit liabilities.

Legislated obligations and commitments

In 2000, legislated obligations and commitments funding amounted to $156 million, an increase of $11 million or 7.6 per cent compared to 1999. Together with its partners in Ontario's prevention system, the WSIB continued to invest in the alignment of prevention system partners, and to demonstrate commitment to workplace health and safety.

WSIB investments in the prevention of workplace injuries and illnesses



Funding was increased by:

- $7 million for the Workplace Safety and Insurance Appeals Tribunal to aid in eliminating the backlog of cases
- $2 million for the Safe Workplace Associations, training centres and clinics to provide injury and illness prevention services for Ontario's workplaces
- $2 million for the *Occupational Health and Safety Act* program as legislated by the Government of Ontario to ensure compliance with health and safety standards in the workplace.

2001 outlook – financial security

There is general consensus that Ontario will again experience economic growth but at a reduced rate from previous years. Structural changes in the economy, such as growth in the services industry and increasing diversification of economic activity, will help buffer Ontario from economic shocks. It is also expected that employment growth will be slightly more robust in Ontario compared to the other provinces, mainly due to a better-than-average economic base.

For the WSIB, the impact of a seven per cent decline in average premium rates (from $2.29 to $2.13) will be partly offset by a 2.8 per cent projected increase in the total amount of assessable payroll, leading to only slightly lower premium revenues.

Overall, stock markets are expected to continue to be highly volatile. From a return standpoint, 2001 may prove to be a trying year for investors – a year in which the WSIB's long-term return projection of seven per cent may represent a challenging target.

In 2001, the WSIB's focus and challenge will be to continue to transform the organization while, at the same time, improving outcomes for customers and clients. This objective is expressed in three imperatives:

Health and Safety – *The WSIB will be the catalyst in the creation of the healthiest and safest workplaces in the world.*

Current trends have shown declines in lost time injury rates and a rise in No Lost Time (NLT) injury rates (the focus on increased reporting is contributing to the increase in NLT injury rates). The WSIB believes the environment is right to improve upon this trend and that investments and initiatives for 2001 will show incremental injury frequency rate reductions.

Customer/Client Satisfaction – *The WSIB will provide services and products in a manner that anticipates and responds fully to the needs of workplace parties.*

The customer satisfaction indices (Angus Reid) have shown improvements. It is anticipated that, throughout 2001, we will continue to receive the same support and positive feedback from customers, clients and stakeholders that was evident in 2000.

Financial Security – *The WSIB will be financially secure in order to meet all its obligations to its customers and clients.*

The WSIB's financial performance in 2001 is expected to generate positive results. The funding ratio should increase to slightly over 70 per cent, keeping the WSIB on track with its current funding strategy.

The WSIB is firmly committed to making the fundamental changes needed to continue its transformation into an effective, knowledge based, customer-focused organization while continuing to play a key role in the workplace health and safety system.

balance sheet

as at December 31

($ Millions)	2000	1999
ASSETS		
Cash and cash equivalents	$ 52	$ -
Receivables	410	320
Investments (note 3)	10,309	9,552
Injured Workers' Retirement Fund (note 4)	388	332
Capital and other assets (note 5)	236	275
	$ 11,395	$ 10,479
LIABILITIES		
Payables and accruals	$ 466	$ 470
Mortgage payable (note 6)	73	74
Injured Workers' Retirement Fund (note 4)	388	332
Employee future benefit liability (note 11)	283	270
Benefit liabilities (note 7)	15,860	15,735
	17,070	16,881
UNFUNDED LIABILITY (note 8)	(5,675)	(6,402)
	$ 11,395	$ 10,479

On behalf of the Board of Directors:

Glen Wright, Chair
Director

Eileen Mercier, Vice Chair
Director

The accompanying notes form an integral part of the financial statements.

statement of operations and unfunded liability

($ Millions)	2000	1999
CURRENT OPERATIONS		
REVENUES		
Premiums for current year	$ 1,760	$ 1,707
Investments (note 3)	1,149	1,065
	2,909	2,772
EXPENSES		
Benefit costs (note 7)	2,694	2,338
Net increase in the Injured Workers' Retirement Fund (note 4)	56	59
Administrative and other expenses (note 9)	247	387
Legislated obligations and commitments (note 10)	156	145
	3,153	2,929
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM CURRENT OPERATIONS	(244)	(157)
Premiums for unfunded liability	971	1,061
EXCESS OF REVENUES OVER EXPENSES APPLIED TO REDUCE THE UNFUNDED LIABILITY	727	904
Unfunded liability, beginning of year	6,402	7,098
Change in accounting policy (note 11)	–	208
Unfunded liability, end of year (note 8)	$ 5,675	$ 6,402

The accompanying notes form an integral part of the financial statements.

balance sheet

($ Millions)	2000	1999
ASSETS		
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The accompanying notes form an integral part of the financial statements.

statement of cash flows

($ Millions)	2000		1999	
INVESTING CASH FLOWS				
Investment income	$ 450		$ 411	
Sale of investments	7,455		4,253	
Purchase of investments	(7,514)		(4,543)	
Net cash provided by investing activities		$ 391		$ 121
OPERATING CASH FLOWS				
Current operations				
Cash received from:				
Current premiums	$ 1,714		$ 1,618	
Cash paid to:				
Claimants, survivors and care providers	(2,342)		(2,203)	
Injured Workers' Retirement Fund	(56)		(63)	
Employees and suppliers for administrative goods and services	(446)		(396)	
Others under legislated obligations & commitments	(156)		(143)	
	(3,000)		(2,805)	
Net cash required by current operations		(1,286)		(1,187)
Cash received from unfunded liability premiums		947		1,005
CASH REQUIRED BY OPERATIONS		(339)		(182)
Increase (decrease) in cash and cash equivalents		52		(61)
Cash and cash equivalents, beginning of year		–		61
Cash and cash equivalents, end of year		$ 52		$ –

The accompanying notes form an integral part of the financial statements.

statement of cash flows

for the year ended December 31

($ Millions)	2000		1999	
INVESTING CASH FLOWS				
Investment income	$ 450		$ 411	
Sale of investments	7,455		4,253	
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Increase (decrease) in cash and cash equivalents		52		(61)
Cash and cash equivalents, beginning of year		–		61
Cash and cash equivalents, end of year		$ 52		$ –

The accompanying notes form an integral part of the financial statements.

notes to the financial statements

December 31, 2000

1. Nature of operations

The Workplace Safety and Insurance Board (WSIB) is a statutory corporation created by an Act of the Ontario Legislature in 1914. It is responsible for administering the *Workplace Safety and Insurance Act, 1997*. The WSIB promotes the prevention of injuries and illnesses in Ontario workplaces and provides compensation to workers who sustain injuries arising out of and in the course of employment, or who contract occupational diseases.

The WSIB administers the *Workplace Safety and Insurance Act, 1997* for two groups of employers, referred to as Schedule 1 and Schedule 2. Schedule 1 relates to services and industries in which employers are insured through "collective liability" and are required to contribute to the WSIB Insurance Fund, whereas Schedule 2 relates to employers who are "self-insured" in that they are individually liable. The Federal Government, which is covered under a separate agreement with Human Resources Development Canada, is also treated as a Schedule 2 employer.

The WSIB pays the actual cost of claims for Schedule 2 workers and is reimbursed by those employers for the claims paid, as well as for the cost of prevention activities and administering the claims.

In addition, investment revenue is earned from a diversified investment portfolio held to meet future obligations on existing claims.

The WSIB does not receive government funding or other assistance and raises funds through premium rates being applied to the payrolls of Ontario's Schedule 1 employers covered under the *Workplace Safety and Insurance Act, 1997*. This funding provides compensation to workers or survivors of the workers who are injured in the course of employment or who contract an occupational disease.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

The significant accounting policies are summarized as follows:

Cash and cash equivalents

Cash and cash equivalents are funds consisting of cash and money market instruments with initial maturities up to three months.

Investments

a) **Bonds, coupons and mortgages**

Bonds, coupons and mortgages are carried at amortized cost. In the case of mortgages, amortized cost is adjusted for principal repayments. Realized gains and losses on the sale of bonds, coupons and mortgages are deferred and amortized over the lesser of 20 years or the period to maturity of the security sold.

b) **Equities and real estate**

Equities and real estate are carried at cost adjusted towards fair value, using a five-year moving average market method. Realized gains and losses are deferred and amortized over a four-year period.

c) **Short-term securities**

Short-term securities consist of money market instruments with maturities between three and twelve months and are carried at cost. Gains and losses from sales are included in income in the year they occur.

d) **Foreign currency translation**

Transactions in investments denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the time of the transaction. The cash and cash equivalents are translated to Canadian dollars at the exchange rate in effect at the balance sheet date.

Fair values of investments

Fair values of investments are determined as follows:

Bonds and equities are valued at year-end quoted prices where available. Where quoted prices are not available, estimated fair values are calculated based upon the yields and values of comparable marketable securities. The fair value of bonds and equities denominated in foreign currencies are translated to Canadian dollars at the exchange rate in effect at the balance sheet date.

Short-term notes, treasury bills and term deposits maturing within a year are carried at cost, which together with accrued interest income approximates fair value given the short-term nature of these instruments.

The fair value of real estate is based on appraised values conducted on a cyclical basis.

Pooled fund investments are valued at the unit values supplied by the pooled fund administrator, which represent the WSIB's proportionate share of underlying net assets at fair values determined using closing market prices.

Fair value of other financial assets and liabilities

The fair values of cash, receivables, and payables approximate their carrying values due to the short-term nature of these instruments.

Injured Workers' Retirement Fund

Investments held in the Injured Workers' Retirement Fund are carried at fair value as defined above. Changes in fair values are taken into income of the Injured Workers' Retirement Fund in the year they occur or are realized.

Capital assets and depreciation

Capital assets are stated at cost. Capital assets are depreciated using the straight-line method at rates calculated to expense the cost of assets over their estimated useful lives which, in the case of buildings, office equipment and computer equipment, are 20 years, five years and three years respectively. The cost of buildings includes development, financing and other costs capitalized prior to becoming fully operational, at which time depreciation commences.

Premium revenue

Under the *Workplace Safety and Insurance Act, 1997*, the Board shall determine the total amount of the premiums to be paid by all Schedule 1 employers with respect to each year in order to maintain the Insurance Fund under this *Act*.

Premium revenue is determined on the basis of applying the applicable premium rates to estimated and actual payrolls for employers included in Schedule 1 of the *Workplace Safety and Insurance Act, 1997*, adjusted for claim experience where relevant.

Schedule 2 employers are individually liable to pay the benefits under the *Workplace Safety and Insurance Act, 1997* with respect to the workers employed. Reimbursements for claims paid and the cost of administering the claims are included in the premiums of the WSIB.

Premiums for unfunded liability

In advance of the fiscal year, the WSIB notifies Schedule 1 employers of the methods used to calculate these rates, the premiums payable and the payment schedule. Premium rates include a specified component that is applied to reduce the unfunded liability.

Benefit liabilities

The benefit liabilities are determined annually through an actuarial valuation and represent a provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision has been obtained by estimating future benefit payments in accordance with the adjudication practices in effect at December 31, 2000 and is based on legislation enacted January 1, 1998.

The benefit liabilities do not include any provision for payment of claims relating to Schedule 2 employers as they are a liability of Schedule 2 employers.

Benefit liabilities do not include any provision for future claims relating to occupational diseases and injuries that are not currently considered to be work related.

3. Investments and investment revenue

The carrying value of investments comprises investments at cost of $10,986 million (1999: $10,230 million) including accrued investment income, plus adjustments towards fair value of $653 million (1999: $574 million), less unamortized net gains realized on the sale of investments of $1,330 million (1999: $1,252 million).

Investments by category are as follows:

($ Millions)	2000		1999	
	Carrying value	Fair value	Carrying value	Fair value
Fixed income securities				
Bonds	$ 3,548	$ 4,022	$ 3,524	$ 3,879
Mortgages	-	-	2	2
	3,548	4,022	3,526	3,881
Equities				
Domestic	2,820	3,756	2,964	3,778
Foreign - U.S.	712	992	562	1,049
- Global	2,828	3,389	2,185	2,961
	6,360	8,137	5,711	7,788
Real estate	327	362	235	273
Short-term securities				
Money market instruments	-	-	7	7
Accrued investment income	84	84	73	73
	$ 10,309	$ 12,587	$ 9,552	$12,022

The WSIB engages in a securities lending program whereby securities are loaned to borrowers, approved by the WSIB and the custodian, for a fee, against high quality collateral. At December 31, 2000, the fair value of securities on loan was $2,170 million (1999: $1,816 million).

Foreign investments are exposed to currency risk. Derivative instruments are used for the sole purpose of hedging foreign currency transactions to better manage and reduce currency risk. Such instruments are valued at year-end market prices. The notional amount of foreign currency contracts hedging investments in foreign currencies totalled $242 million at December 31, 2000 (1999: $73 million). Their related replacement value at year-end was $243 million (1999: $71 million). The contracts mature in the first three months of 2001.

Bonds by term to maturity as at December 31:

($ Millions)	2000 Term to maturity					1999
	Up to 1 year	1 - 5 years	5 - 10 years	Over 10 years	Total	Total
Government bonds						
Carrying value	$ 14	$ 1,297	$ 948	$ 725	$ 2,984	$ 3,188
Fair value	$ 14	$ 1,314	$ 973	$ 700	$ 3,001	$ 3,118
Yield %	5.6	5.4	5.5	5.9	5.6	6.3
Corporate bonds						
Carrying value	$ 9	$ 414	$ 262	$ 122	$ 797	$ 786
Fair value	$ 9	$ 417	$ 264	$ 99	$ 789	$ 761
Yield %	5.6	5.9	6.3	6.8	6.3	6.7
Less: unamortized gain					408	450
Total						
Carrying value					$ 3,389	$ 3,524
Fair value					$ 4,002	$ 3,879
Yield %					5.7	6.4

The average yield reflects the yield to maturity, which is the discount rate that makes the present value of future cash flows of each bond equal to its fair value at December 31.

Investments by category are as follows:

($ Millions)	2000		1999	
	Carrying value	Fair value	Carrying value	Fair value
Fixed income securities				
Bonds	$ 3,548	$ 4,022	$ 3,524	$ 3,879
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	3,548	4,022	3,526	3,881
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	6,368	8,137	5,711	7,788
Real estate	327	362	235	273
Short-term securities				
Money market instruments	-	-	7	7
Accrued investment income	66	66	73	73
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($ Millions)	2000					1999
	Term to maturity					
	Up to 1 year	1 - 5 years	5 - 10 years	Over 10 years	Total	Total
Government bonds						
Carrying value	$ 14	$ 1,297	$ 948	$ 735	$ 2,994	$ 3,188
Fair value	$ 14	$ 1,314	$ 973	$ 760	$ 3,061	$ 3,118
Yield %	5.6	5.4	5.5	5.9	5.6	6.3
Corporate bonds						
Carrying value	$ 9	$ 414	$ 262	$ 272	$ 957	$ 786
Fair value	$ 9	$ 417	$ 264	$ 271	$ 961	$ 761
Yield %	5.6	5.9	6.3	6.8	6.3	6.7
Less: unamortized gain					403	450
Total						
Carrying value					$ 3,548	$ 3,524
Fair value					$ 4,022	$ 3,879
Yield %					5.7	6.4

The average yield reflects the yield to maturity, which is the discount rate that makes the present value of future cash flows of each bond equal to its fair value at December 31.

Revenue by category of investment is as follows:

($ Millions)	2000	1999
Bonds	$ 285	$ 262
Equities	854	797
Short-term securities	11	4
	1,150	1,063
Injured Workers' Retirement Fund	21	23
Investment expenses	(22)	(21)
Investment revenue	$ 1,149	$ 1,065

In 2000, $743 million (1999: $706 million) of realized and unrealized net gains were amortized to investment revenue.

4. Injured Workers' Retirement Fund

Under section 44 of the *Workers' Compensation Act* and *Regulations of Ontario, RSO 1990* (which continues to apply to injuries and diseases prior to January 1, 1998) the WSIB sets aside funds equal to ten per cent of every payment made to injured workers under section 43 of that *Act*. In accordance with the provisions of that *Act*, these funds are segregated from the WSIB's Insurance Fund and are invested to provide retirement income benefits for injured workers.

Under section 45 of the *Workplace Safety and Insurance Act, 1997*, effective January 1, 1998, the WSIB sets aside five per cent rather than ten per cent of workers' loss of earnings benefits for his/her retirement fund for new claims incurred after December 31, 1997. An injured worker may choose to contribute a further five per cent from his/her loss of earnings benefits. The amount is set aside only after the worker has received payments for loss of earnings for 12 continuous months. Since the *Workplace Safety and Insurance Act, 1997* took effect January 1, 1998, the five per cent set aside first occurred on January 1, 1999.

The carrying value of the fund at December 31 is as follows:

($ Millions)	2000	1999
Cash	$ 2	$ 4
Investment in pooled fund	386	-
Bonds	-	117
Equities - Domestic	-	120
- Foreign global	-	61
Money market instruments	-	28
Accrued investment income	-	2
	$ 388	$ 332

The investment in pooled fund comprises fixed income securities $149 million, equities $225 million and money market instruments $12 million.

In 2000, the net increase in the Injured Workers' Retirement Fund was $56 million (1999: $59 million).

The change in net assets is as follows:

($ Millions)	2000	1999
Fund set aside under the *Act*	$ 46	$ 44
Investment income	16	10
Increase in market value	5	13
Benefit costs paid	(11)	(8)
Increase in net assets	56	59
Net assets, beginning of year	332	273
Net assets, end of year	$ 388	$ 332

5. Capital and other assets

($ Millions)	2000		1999
	Cost	Net book value	Net book value
Buildings and leasehold improvements	$ 217	$ 160	$ 163
Office equipment	107	14	15
Computer equipment	75	28	40
	399	202	218
Other assets	34	34	57
	$ 433	$ 236	$ 275

Depreciation expense in 2000 was $30 million (1999: $27 million).

6. Mortgage payable

The WSIB is a 75 per cent participant in the co-ownership agreement of its head office building. To fund partially the development and construction of the building, the WSIB entered into a long-term mortgage loan agreement in 1993. The mortgage loan is secured by the building and matures in the year 2015. The interest rate is fixed at 10.25 per cent per annum, compounded semi-annually.

7. Benefit liabilities and benefit costs

Benefit liabilities represent an actuarially determined provision for future benefit payments relating to incurred claims discounted to present value at the assumed net investment returns as shown below. Estimates of future benefit payments refer to both reported and unreported claims which have arisen from work-related injuries and occupational diseases that occurred on or before December 31, 2000, and are based on the level and nature of entitlement, as prescribed by legislations, and on adjudication practices in effect at December 31, 2000 and 1999.

The benefit liabilities were determined using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries.

The actuarial present value of future benefit payments depends on economic and actuarial assumptions and methods, which were based on past experience, modified for current trends. These assumptions may change over time to reflect underlying conditions and it is possible that such changes could cause a material change in the actuarial present value of future benefit payments.

The following key long-term economic assumptions were used in the actuarial valuation of the benefit liabilities:

	2000	1999
Inflation rate	3%	3%
Rate of indexation of benefits		
Fully indexed	3%	3%
Partially indexed	0.5%	0.5%
Net investment return		
Fully indexed	4%	4%
Partially indexed	6.5%	6.5%
Wage and health care costs escalation rate	4%	4%

Mortality estimates were based on the WSIB's mortality experience of 1991-1995 for injured workers and on the Ontario Life Tables adjusted to reflect the WSIB's mortality projections for survivors of deceased workers of 1990-1992. Provision has been made for the effect of future increases in the covered earnings ceiling and indexation of benefits.

Management believes the amount provided for future payments for incurred claims to be adequate. Long-term economic and actuarial assumptions and methods are reviewed annually at December 31 of each year, when independent actuarial valuations are performed. The actuarial cost of claims for reported and unreported work-related injuries that occurred in the year are recorded under benefit costs, together with adjustments, if any, resulting from the continuous review of entitlements and experience and from changes in legislation, assumptions or methods.

The benefit liabilities include a provision of $755 million (1999: $820 million) for the future costs of administering existing claims. Administrative and other expenses have been reduced by $227 million relating to claim administration costs released from the provision for benefit liabilities in the current year. The comparative claim administration costs for 1999 was nil, as the provision was set up for the first time on December 31, 1999.

Benefit liabilities provision and benefit costs paid in 2000 were as follows:

($ Millions)	2000								1999
	Long-term disability	Labour market re-entry Income support	Labour market re-entry External providers	Short-term disability	Health care	Survivor benefits	Claim administration costs	Total	Total
Benefit liabilities,									
Beginning of year	$ 11,037	$ 619	$ 224	$ 473	$ 1,254	$ 1,308	$ 820	$ 15,735	$15,600
Benefit costs	1,459	(150)	79	535	270	129	141	2,463	2,338
Benefit costs paid,									
During the year									
Schedule 1	(1,218)	(98)	(54)	(365)	(270)	(116)	(227)	(2,348)	(1,986)
Schedule 2	(110)	(8)	(3)	(53)	(28)	(11)	-	(213)	(209)
Injured Workers' Retirement Fund	(11)	-	-	-	-	-	-	(11)	(8)
	(1,339)	(106)	(57)	(418)	(298)	(127)	(227)	(2,572)	(2,203)
Benefit liabilities, End of year	$ 11,157	$ 363	$ 246	$ 590	$ 1,226	$ 1,310	$ 734	$ 15,626	$15,735

Revenue by category of investment is as follows:

($ Millions)	2000	1999
Bonds	$ 285	$ 262
Equities	854	797
Short-term securities	11	4
	1,150	1,063
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The carrying value of the fund at December 31 is as follows:

($ Millions)	2000	1999
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The investment in pooled fund comprises fixed income securities $149 million, equities $225 million and money market instruments $12 million.

In 2000, the net increase in the Injured Workers' Retirement Fund was $56 million (1999: $59 million).

The change in net assets is as follows:

($ Millions)	2000	1999
Fund set aside under the *Act*	$ 46	$ 44
Investment income	16	10
Increase in market value	5	13
Benefit costs paid	(11)	(8)
Increase in net assets	56	59
Net assets, beginning of year	332	273
Net assets, end of year	$ 388	$ 332

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($ Millions)	2000		1999
	Cost	Net book value	Net book value
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Office equipment	107	14	15
Computer equipment	75	28	40
	399	202	218
Other assets	34	34	57
	$ 433	$ 236	$ 275

Depreciation expense in 2000 was $30 million (1999: $27 million).

6. Mortgage payable

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7. Benefit liabilities and benefit costs

Benefit liabilities represent an actuarially determined provision for future benefit payments relating to incurred claims discounted to present value at the assumed net investment returns as shown below. Estimates of future benefit payments refer to both reported and unreported claims which have arisen from work-related injuries and occupational diseases that occurred on or before December 31, 2000, and are based on the level and nature of entitlement, as prescribed by legislations, and on adjudication practices in effect at December 31, 2000 and 1999.

The benefit liabilities were determined using accepted actuarial practices in accordance with the standards established by the Canadian Institute of Actuaries.

The actuarial present value of future benefit payments depends on economic and actuarial assumptions and methods, which were based on past experience, modified for current trends. These assumptions may change over time to reflect underlying conditions and it is possible that such changes could cause a material change in the actuarial present value of future benefit payments.

The following key long-term economic assumptions were used in the actuarial valuation of the benefit liabilities:

	2000	1999
Inflation rate	3%	3%
Rate of indexation of benefits		
Fully indexed	3%	3%
Partially indexed	0.5%	0.5%
Net Investment return		
Fully indexed	4%	4%
Partially indexed	6.5%	6.5%
Wage and health care costs escalation rate	4%	4%

Mortality estimates were based on the WSIB's mortality experience of 1991-1995 for injured workers and on the Ontario Life Tables adjusted to reflect the WSIB's mortality projections for survivors of deceased workers of 1990-1992. Provision has been made for the effect of future increases in the covered earnings ceiling and indexation of benefits.

Management believes the amount provided for future payments for incurred claims to be adequate. Long-term economic and actuarial assumptions and methods are reviewed annually at December 31 of each year, when independent actuarial valuations are performed. The actuarial cost of claims for reported and unreported work-related injuries that occurred in the year are recorded under benefit costs, together with adjustments, if any, resulting from the continuous review of entitlements and experience and from changes in legislation, assumptions or methods.

The benefit liabilities include a provision of $755 million (1999: $820 million) for the future costs of administering existing claims. Administrative and other expenses have been reduced by $227 million relating to claim administration costs released from the provision for benefit liabilities in the current year. The comparative claim administration costs for 1999 was nil, as the provision was set up for the first time on December 31, 1999.

Benefit liabilities provision and benefit costs paid in 2000 were as follows:

($ Millions)	2000								1999
	Long-term disability	Labour market re-entry Income support	Labour market re-entry External providers	Short-term disability	Health care	Survivor benefits	Claim administration costs	Total	Total
Benefit liabilities,									
Beginning of year	$ 11,037	$ 619	$ 224	$ 473	$ 1,254	$ 1,308	$ 820	**$15,735**	**$15,600**
Benefit costs	1,659	(150)	79	535	270	139	162	**2,694**	**2,338**
Benefit costs paid,									
During the year									
Schedule 1	(1,213)	(98)	(54)	(365)	(270)	(114)	(227)	**(2,341)**	**(1,986)**
Schedule 2	(110)	(8)	(3)	(53)	(30)	(13)	-	**(217)**	**(209)**
Injured Workers' Retirement Fund	(11)	-	-	-	-	-	-	**(11)**	**(8)**
	(1,334)	(106)	(57)	(418)	(300)	(127)	(227)	**(2,569)**	**(2,203)**
Benefit liabilities, End of year	$ 11,362	$ 363	$ 246	$ 590	$ 1,224	$ 1,320	$ 755	**$15,860**	**$15,735**

Benefit costs paid include the following:

($ Millions)	Schedule 1		Schedule 2	
	2000	1999	2000	1999
Long-term disability				
Worker pensions	$ 572	$ 572	$ 61	$ 63
Supplements	242	245	18	19
Future economic loss	315	300	21	19
Non-economic loss	84	80	10	9
	1,213	1,197	110	110
Labour market re-entry				
Income support	98	123	8	10
External provider	54	43	3	2
	152	166	11	12
Short-term disability	365	286	53	47
Health care				
Health care	250	211	28	24
Medical reports	20	18	2	2
	270	229	30	26
Survivor benefits	114	108	13	14
Claim administration costs	227	-	-	-
	$ 2,341	$ 1,986	$ 217	$ 209

8. Actuarial reconciliation of the change in the unfunded liability

The actuarial reconciliation of the change in the unfunded liability is as follows:

($ Millions)	2000		1999	
Unfunded liability, beginning of year		$ 6,402		$ 7,098
Add/(deduct):				
Investment income not earned due to shortfall in invested assets		450		499
Premiums allocated to reduction of unfunded liability		(971)		(1,061)
Experience gains (losses) resulting from:				
Indexation of benefits less than expected		(49)		(69)
Higher than expected investment returns		(426)		(408)
Prior and current years' claims experience		234		(16)
Changes in assumptions				
Net investment returns	-		(775)	
Long-term loss of earnings	(140)		-	
Future claim administration costs	(80)		820	
Other changes	150	(70)	106	151
Change in personal income tax rates		105		-
Change in accounting policy (note 11)		-		208
Unfunded liability, end of year		$ 5,675		$ 6,402

9. Administrative and other expenses

Administrative and other expenses consist of the following:

($ Millions)	2000	1999
Salaries and employee benefits	$ 295	$ 259
Equipment depreciation and maintenance	42	30
Occupancy	31	31
Communication	11	12
Supplies and services	16	13
Travel and vehicle maintenance	7	6
Other	14	10
Year 2000 project	-	26
	416	387
Agility program	58	-
	474	387
Claim administration costs (note 7)	(227)	-
	$ 247	$ 387

10. Related party transactions

Legislated obligations and commitments

Under the *Workplace Safety and Insurance Act, 1997*, and as directed by the Lieutenant Governor through Orders in Council, the WSIB is required to reimburse the Government of Ontario for the administrative cost of the *Occupational Health and Safety Act*. In addition, the WSIB is also required to fund the operating costs of the Workplace Safety and Insurance Appeals Tribunal, the Offices of the Worker and Employer Adviser and the mine rescue stations. The amounts of reimbursements and funding are determined and approved by the Minister of Labour. The WSIB is also committed to provide funding for the Institute for Work and Health and for the Safe Workplace Associations, training centres and clinics. The total amount of funding provided under these legislated obligations and commitments in 2000 was $156 million (1999: $145 million).

Investments

Included in investments are marketable fixed income securities issued by the Ontario provincial government and related corporations of $373 million (1999: $362 million).

Other

In addition to the legislated obligations and injury prevention expenses, the financial statements include amounts resulting from transactions conducted in the normal course of operations, with various Ontario government-controlled ministries, agencies, and Crown corporations with which the WSIB may be considered related. Such transactions are conducted on terms and conditions similar to those transactions with unrelated parties. Account balances resulting from these transactions are not significant.

11. Employee future benefit liability

In 1999 WSIB changed its accounting policy for employee future benefits other than pensions based on the Canadian Institute of Chartered Accountants (CICA) accounting standards for *Employee Future Benefits*. The effect of this accounting policy change on January 1, 1999 was the recognition of an employee future benefit liability of $208 million.

An independent actuarial valuation was performed as of December 31, 2000 in accordance with the new accounting standards, Section 3461 of the CICA handbook *Employee Future Benefits*. At year end 2000, the WSIB's employee future benefit accrued obligation other than pensions was $283 million (1999: $270 million).

The significant actuarial assumptions adopted to value the WSIB's employee future benefit obligation other than pensions were as follows:

	2000	1999
Discount rate	7%	6%
Health care cost trend rate		
Medical	5%	5%
Dental	4%	4%

12. Pension plans

The WSIB has two pension plans for its employees and the employees of Safe Workplace Associations, training centres and clinics: the WSIB Employees' Pension Plan and the WSIB Employees' Supplementary Pension Plan.

The WSIB Employees' Pension Plan is a contributory defined benefit pension plan that provides for partially indexed pensions based on years of service and earnings rates near retirement. The investment activities and the administrative and accounting matters of the pension plan are administered by the WSIB.

An independent actuarial valuation, performed as of December 31, 2000 in accordance with the new accounting standards Section 3461 of the CICA handbook *Employee Future Benefits* has determined that the pension plan is in a surplus position. The accrued pension obligations of the contributory defined benefit plan reflect management's estimates of salary escalations, investment rate of return, mortality of members, terminations and the ages at which members will retire.

The WSIB's Employees' Supplementary Pension Plan is a contributory defined benefit plan and was created to ensure that employees of the WSIB whose earnings exceed the threshold earnings for the maximum pension benefit permitted under the *Income Tax Act (Canada)* will receive pension benefits based on their total earnings. The investment activities and the administrative and accounting matters of the supplementary pension plan are administered by the WSIB.

Benefit costs paid include the following:

($ Millions)	Schedule 1		Schedule 2	
	2000	1999	2000	1999
Long-term disability				
Worker pensions	$ 572	$ 572	$ 61	$ 63
Supplements	242	245	18	19
Future economic loss	315	300	21	19
Non-economic loss	84	80	10	9
	1,213	1,197	110	110
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Income support	98	123	8	10
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Health care	250	211	28	24
Medical reports	20	18	2	2
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	$ 2,341	$ 1,986	$ 217	$ 209

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The actuarial reconciliation of the change in the unfunded liability is as follows:

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Unfunded liability, beginning of year		$ 6,402		$ 7,098
Add/(deduct):				
Investment income not earned due to shortfall in invested assets		450		499
Premiums allocated to reduction of unfunded liability		(971)		(1,061)
Experience gains (losses) resulting from:				
Indexation of benefits less than expected		(49)		(69)
Higher than expected investment returns		(426)		(408)
Prior and current years' claims experience		234		(16)
Changes in assumptions				
Net investment returns	-		(775)	
Long-term loss of earnings	(140)		-	
Future claim administration costs	(80)		820	
Other changes	150	(70)	106	151
Change in personal income tax rates		105		-
Change in accounting policy (note 11)		-		208
Unfunded liability, end of year		$ 5,675		$ 6,402

9. Administrative and other expenses

Administrative and other expenses consist of the following:

($ Millions)	2000	1999
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	416	387
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	474	387
Claim administration costs (note 7)	(227)	-
	$ 247	$ 387

10. Related party transactions

Legislated obligations and commitments

Under the *Workplace Safety and Insurance Act, 1997*, and as directed by the Lieutenant Governor through Orders in Council, the WSIB is required to reimburse the Government of Ontario for the administrative cost of the *Occupational Health and Safety Act*. In addition, the WSIB is also required to fund the operating costs of the Workplace Safety and Insurance Appeals Tribunal, the Offices of the Worker and Employer Adviser and the mine rescue stations. The amounts of reimbursements and funding are determined and approved by the Minister of Labour. The WSIB is also committed to provide funding for the Institute for Work and Health and for the Safe Workplace Associations, training centres and clinics. The total amount of funding provided under these legislated obligations and commitments in 2000 was $156 million (1999: $145 million).

Investments

Included in investments are marketable fixed income securities issued by the Ontario provincial government and related corporations of $373 million (1999: $362 million).

Other

In addition to the legislated obligations and injury prevention expenses, the financial statements include amounts resulting from transactions conducted in the normal course of operations, with various Ontario government-controlled ministries, agencies, and Crown corporations with which the WSIB may be considered related. Such transactions are conducted on terms and conditions similar to those transactions with unrelated parties. Account balances resulting from these transactions are not significant.

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In 1999 WSIB changed its accounting policy for employee future benefits other than pensions based on the Canadian Institute of Chartered Accountants (CICA) accounting standards for *Employee Future Benefits*. The effect of this accounting policy change on January 1, 1999 was the recognition of an employee future benefit liability of $208 million.

An independent actuarial valuation was performed as of December 31, 2000 in accordance with the new accounting standards, Section 3461 of the CICA handbook *Employee Future Benefits*. At year end 2000, the WSIB's employee future benefit accrued obligation other than pensions was $283 million (1999: $270 million).

The significant actuarial assumptions adopted to value the WSIB's employee future benefit obligation other than pensions were as follows:

	2000	1999
Discount rate	7%	6%
Health care cost trend rate		
Medical	5%	5%
Dental	4%	4%

12. Pension plans

The WSIB has two pension plans for its employees and the employees of Safe Workplace Associations, training centres and clinics: the WSIB Employees' Pension Plan and the WSIB Employees' Supplementary Pension Plan.

The WSIB Employees' Pension Plan is a contributory defined benefit pension plan that provides for partially indexed pensions based on years of service and earnings rates near retirement. The investment activities and the administrative and accounting matters of the pension plan are administered by the WSIB.

An independent actuarial valuation, performed as of December 31, 2000 in accordance with the new accounting standards Section 3461 of the CICA handbook *Employee Future Benefits* has determined that the pension plan is in a surplus position. The accrued pension obligations of the contributory defined benefit plan reflect management's estimates of salary escalations, investment rate of return, mortality of members, terminations and the ages at which members will retire.

The WSIB's Employees' Supplementary Pension Plan is a contributory defined benefit plan and was created to ensure that employees of the WSIB whose earnings exceed the threshold earnings for the maximum pension benefit permitted under the *Income Tax Act (Canada)* will receive pension benefits based on their total earnings. The investment activities and the administrative and accounting matters of the supplementary pension plan are administered by the WSIB.

As at December 31, the plans' status was as follows:

($ Millions)	Employees' Pension Plan	Supplementary Pension Plan
Fair value of plan assets	$1,186.8	$ 0.8
Accrued pension benefits obligation	977.2	8.9
Plan surplus (deficit)	$ 209.6	$ (8.1)
Accrued pension benefits assets (liabilities) recognized	$ 22.6	$ (2.7)
Plan expense for the year	$ 24.2	$ 2.7
Employer contributions	-	$ 0.2
Employee contributions	-	$ 0.2
Pension benefits paid	$ 36.0	-

The significant actuarial assumptions adopted as at December 31, 2000 to value the WSIB's pension plans were as follows:

	Employees' Pension Plan	Supplementary Pension Plan
Discount rate	7.00%	7.00%
Expected long-term rate of return on plan assets	7.50%	3.75%
Rate of compensation increase	5.50%	5.50%

13. Commitments and contingencies

Operating leases

At December 31, 2000, the WSIB was committed under non-cancellable operating leases requiring future minimum payments of approximately $17 million per year over the next five years and $32 million in aggregate thereafter.

Legal actions

The WSIB is party to various claims and lawsuits that are being contested. In the opinion of management, the outcome of such claims and lawsuits will not have a material effect on the WSIB.

Bank line of credit

The WSIB maintains an unsecured $150 million line of credit with a commercial bank. The credit line was not utilized in 2000.

14. Comparative figures

Certain of the comparative amounts have been reclassified to conform with the presentations adopted in the current year.

responsibility for financial reporting

The accompanying financial statements were prepared by management in accordance with Canadian generally accepted accounting principles, consistently applied, and include some amounts based upon management's best estimates and judgements. Any financial information contained elsewhere in the Annual Report is consistent with these financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss. The Board of Directors has established an Audit Committee, to ensure that management fulfils these responsibilities. The Audit Committee meets periodically with management, internal auditors and external auditors to ensure that their responsibilities are properly discharged with respect to financial statement presentation, disclosure and recommendations on internal control.

The Internal Audit Branch performs audits designed to test the adequacy and consistency of the WSIB's internal controls, practices and procedures.

The external auditors, KPMG LLP, working under the direction of the Provincial Auditor, have performed an independent audit of the financial statements of the WSIB in accordance with Canadian generally accepted auditing standards. Their report outlines the scope of this independent audit and their opinion on the financial statements of the WSIB.

Eckler Partners Ltd., the independent consulting actuaries to the WSIB, express an opinion on the adequacy and appropriateness of the valuation of the WSIB's benefits liability.

David Williams
President and
Chief Executive Officer

Thomas Chan
Vice-President,
Finance and Corporate Services
and Chief Financial Officer

March 7, 2001

auditors' report

KPMG

To the Workplace Safety and Insurance Board,
the Minister of Labour,
and to the Provincial Auditor

Pursuant to the *Workplace Safety and Insurance Act* which provides that the accounts of the Workplace Safety and Insurance Board (WSIB) shall be audited by the Provincial Auditor or under his direction by an auditor appointed by the Lieutenant Governor in Council for that purpose, we have audited the balance sheet of the WSIB as at December 31, 2000 and the statements of operations and unfunded liability and cash flows for the year then ended. These financial statements are the responsibility of WSIB management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the WSIB as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Toronto, Canada
March 7, 2001

consulting actuaries' report

Eckler Partners Ltd.

Consulting Actuaries' Report on The Valuation of the Benefits Liabilities of the Schedule 1 Insurance Fund of The Workplace Safety and Insurance Board of Ontario as at December 31, 2000

We have determined the estimated present value as at December 31, 2000 of future payments for short term disability, long term disability, labour market re-entry, survivor benefits, health care, retirement income benefits and future claims administration costs under Schedule 1 on account of accidents that occurred on or before that date to be $15,860 million. We have examined the data upon which the calculations were based and found them to be sufficient and reliable for the purposes of the valuation and consistent with the WSIB's financial statements. We consulted with the Chief Actuary in selecting appropriate assumptions and methods for the valuation. As in previous valuations, the present value does not include provision for future claims related to occupational disease.

In this valuation, we have included the estimated present value of future payments for claims administration in the calculation of the total Schedule 1 liability, using an assumption of 5 per cent of the estimated present value of benefits as at December 31, 2000. Based on an initial analysis of the Board's claims administration expenses we believe the assumption made in this regard to be reasonable, but recommend that further analysis be conducted in order to refine the assumption for purposes of future valuations. Last year, WSIB management made a provision for future claims administration costs equal to 5.5 per cent of the estimated present value of benefits as at December 31, 1999.

The present value reported above includes the liability for benefits under Bill 162 which came into effect as of January 2, 1990. For the purpose of this valuation, we continue to use the same assumptions as were used in the previous valuation regarding the average percentage of permanent impairment of workers becoming eligible for compensation for non-economic loss under section 42, of the average percentage wage loss of workers becoming eligible for compensation for future loss of earnings under section 43 and of the portions of compensation for future loss of earnings under section 43. The assumption and methodology for valuing the portions of supplemental pensions under section 43(9) which will be continued following the reviews 24 months and 60 months after the benefits commence have been modified to better reflect Board policy and experience.

The present value also takes into account the provisions of Bill 165, which came into effect as of January 1, 1995 and the provisions of Bill 99, which came into effect as of January 1, 1998.

The valuation was based on the provisions of the *Workplace Safety and Insurance Act* and on the WSIB's administrative practices in effect as of January 1, 2001. Full provision has been made for potential future increases in the covered earnings ceiling and in the level of compensation as provided under the Act by using a net investment return assumption of 4 per cent per annum with respect to fully indexed benefits and 6.5 per cent per annum with respect to partially indexed benefits.

The rates of net investment return were determined on the assumption that investment income in excess of these rates will be required to finance indexation of those benefits related to inflation. The long-term rate of general price inflation assumed in the valuation was 3 per cent per annum, and the rate of indexation of benefits was therefore assumed to be 3 per cent per annum for fully indexed benefits and 0.5 per cent per annum for partially indexed benefits.

It was assumed that survival on Loss of Earnings benefits will follow WSIB experience for the years 1991-1996, modified after one year so that 5 per cent of lost time accidents continue to receive benefits after two years. In the previous valuation, we assumed 6 per cent of lost time accidents continued to receive benefits after two years, however experience to date indicates that this assumption was too high. Following the two-year period, the renewal rate would decrease annually at an average rate of 10 per cent until it reaches 60 per cent six years after the date of accident.

Except as described above, the methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

In our opinion, the assumptions made in this valuation are appropriate, the methods employed are in accordance with sound actuarial principles and the amount of $15,860 million as at December 31, 2000 makes reasonable provision for future payments for short-term disability, long-term disability, labour market re-entry, survivor benefits, health care, retirement income benefits and claims administration costs under Schedule 1 on account of accidents that occurred on or before December 31, 2000.

David A. Short, F.S.A., F.C.I.A.
Actuaries with the firm of Eckler Partners Ltd.

Jill M. Flicht, F.S.A., F.C.I.A.

March 7, 2001

ten-year

Workplace Safety and Insurance Board
Ten-Year Summary of the Statements of Operations and Unfunded Liability

($ Millions)	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
REVENUES										
Premiums for current year (see note below)	$1,760	$1,707	$1,722	$1,886	$1,917	$1,953	$1,864	$1,969	$2,171	$2,505
Investment	1,149	1,065	997	849	711	593	499	521	453	450
	2,909	2,772	2,719	2,735	2,628	2,546	2,363	2,490	2,624	2,955
EXPENSES										
Benefit costs paid	2,569	2,203	2,262	2,249	2,371	2,385	2,331	2,435	2,444	2,342
Net increase (decrease) in benefit liabilities	125	135	(85)	(1,740)	50	(150)	(75)	400	760	1,440
Net increase in the Injured Workers' Retirement Fund	56	59	52	48	49	49	29	30	14	2
	2,750	2,397	2,229	557	2,470	2,284	2,285	2,865	3,218	3,784
Administrative and other expenses	247	387	336	341	321	339	331	343	347	343
Legislated obligations	156	145	125	117	98	113	104	100	97	87
	3,153	2,929	2,690	1,015	2,889	2,736	2,720	3,308	3,662	4,214
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES	(244)	(157)	29	1,720	(261)	(190)	(357)	(818)	(1,038)	(1,259)
Premiums for unfunded liability (see note below)	971	1,061	930	683	693	700	487	314	357	-
Excess of revenues over expenses – applied to reduce the unfunded liability	727	904	959	2,403	432	510	130	(504)	(681)	(1,259)
Unfunded liability beginning of year	6,402	7,098	8,057	10,460	10,892	11,402	11,532	11,028	10,347	9,088
Change in accounting policy		208								
Unfunded liability end of year	$5,675	$6,402	$7,098	$8,057	$10,460	$10,892	$11,402	$11,532	$11,028	$10,347

Note: Premiums were not segregated into current and unfunded liability components for 1991.

OTHER STATISTICS

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Schedule 1										
Average premium rate (per $100 of payroll)	$2.29	$2.42	$2.59	$2.85	$3.00	$3.00	$3.01	$2.95	$3.16	$3.20
Total insured payroll ($ millions)	$109,237	$101,654	$96,205	$91,497	$86,844	$86,065	$82,818	$84,243	$83,048	$80,727
Number of WSIB employees as at December 31	4,466	4,260	4,057	3,966	4,373	4,597	4,603	4,751	4,909	5,139
Number of new claims by registration year	379,079	364,069	342,687	341,178	345,606	371,837	370,444	368,485	377,019	409,946

ten-year

Workplace Safety and Insurance Board
Ten-Year Summary of the Statements of Operations and Unfunded Liability

($ Millions)	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
REVENUES										
Premiums for current year (see note below)	$1,760	$1,707	$1,722	$1,886	$1,917	$1,953	$1,864	$1,969	$2,171	$2,505
Investment	1,149	1,065	997	849	711	593	499	521	453	450
	2,909	2,772	2,719	2,735	2,628	2,546	2,363	2,490	2,624	2,955
EXPENSES										
Benefit costs paid	2,569	2,203	2,262	2,249	2,371	2,385	2,331	2,435	2,444	2,342
Net increase (decrease) in benefit liabilities	125	135	(85)	(1,740)	50	(150)	(75)	400	760	1,440
Net increase in the Injured Workers' Retirement Fund	56	59	52	48	49	49	29	30	14	2
	2,750	2,397	2,229	557	2,470	2,284	2,285	2,865	3,218	3,784
Administrative and other expenses	247	387	336	341	321	339	331	343	347	343
Legislated obligations	156	145	125	117	98	113	104	100	97	87
	3,153	2,929	2,690	1,015	2,889	2,736	2,720	3,308	3,662	4,214
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENSES	(244)	(157)	29	1,720	(261)	(190)	(357)	(818)	(1,038)	(1,259)
Premiums for unfunded liability (see note below)	971	1,061	930	683	693	700	487	314	357	-
Excess of revenues over expenses – applied to reduce the unfunded liability	727	904	959	2,403	432	510	130	(504)	(681)	(1,259)
Unfunded liability beginning of year	6,402	7,098	8,057	10,460	10,892	11,402	11,532	11,028	10,347	9,088
Change in accounting policy		208								
Unfunded liability end of year	$5,675	$6,402	$7,098	$8,057	$10,460	$10,892	$11,402	$11,532	$11,028	$10,347

Note: Premiums were not segregated into current and unfunded liability components for 1991.

OTHER STATISTICS	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Schedule 1										
Average premium rate (per $100 of payroll)	$2.29	$2.42	$2.59	$2.85	$3.00	$3.00	$3.01	$2.95	$3.16	$3.20
Total insured payroll ($ millions)	$109,237	$101,654	$96,205	$91,497	$86,844	$86,065	$82,818	$84,243	$83,048	$80,727
Number of WSIB employees as at December 31	4,466	4,260	4,057	3,966	4,373	4,597	4,603	4,751	4,909	5,139
Number of new claims by registration year	379,079	364,069	342,687	341,178	345,606	371,837	370,444	368,485	377,019	409,946

public sector salary disclosure 2000

Name	Position	Earnings	Taxable Benefits	Total Earnings
Abrams, Brenda E.	Legal Counsel 2	$104,671.66	$182.42	$104,854.08
Achar, Ramach Andra	Medical Consultant	$111,783.81	$196.17	$111,979.98
Adamo, Valerie	VP Info Svcs & CIO	$166,183.45	$243.82	$166,427.27
Allingham, Richard	Dir Research & Evaluation	$110,157.58	$189.65	$110,347.23
Angove, Linda	Corporate Secretary	$106,268.90	$170.07	$106,438.97
Anstey, Calvin	Dir Transportation Sctr	$103,632.93	$181.78	$103,814.71
Argue, Robert	Dir Applications Dev	$105,941.11	$184.66	$106,125.77
Aronshtam, Masha	Medical Consultant	$122,205.18	$212.03	$122,417.21
Arvisais, J.	Medical Consultant	$122,392.85	$212.03	$122,604.88
Bain, Donna	Exec Dir Hlth Svcs Mgmt	$118,038.56	$199.58	$118,238.14
Belanger, Adele Marie	Legal Counsel 2	$107,535.85	$183.95	$107,719.80
Bell, Susan	Dir CCP	$105,536.17	$179.82	$105,715.99
Bishop, M.	Medical Consultant	$120,892.85	$212.03	$121,104.88
Bowman, Leslie	Medical Consultant	$124,991.84	$219.05	$125,210.89
Brown, Elizabeth	Legal Counsel 2	$107,535.85	$183.95	$107,719.80
Burton, Neil	Dir Client Server Div	$115,735.97	$193.03	$115,929.00
Cantlie, George	Medical Consultant	$129,797.84	$219.05	$130,016.89
Chain, Marybelle	Medical Consultant	$127,205.87	$211.03	$127,416.90
Chan, Thomas	VP Finance & Corp Svs & CFO	$183,073.70	$258.78	$183,332.48
Chen, Kathy	Sr Spec Database	$107,243.62	$134.40	$107,378.02
Colaco, Carmen	Medical Consultant	$118,263.44	$219.05	$118,482.49
Coutinho, Jude	Assoc Dir/Physician	$125,130.12	$217.94	$125,348.06
Cude, Beverley	Dir Technology Svcs	$123,037.58	$186.62	$123,224.20
David, Lawrence	Medical Consultant	$118,422.89	$208.78	$118,631.67
De Demeter, Dorrit	Medical Consultant	$124,991.84	$219.05	$125,210.89
De Domenico, Ivan J.	Medical Consultant	$121,357.00	$212.03	$121,569.03
Deslauriers, Jean	Medical Consultant	$112,783.81	$196.17	$112,979.98
Djon, P. A.	Medical Consultant	$116,081.82	$196.17	$116,277.99
Douglas, Colin J.	Legal Counsel 2	$107,535.85	$183.95	$107,719.80
Douglas, Richard Alexander	Dir Employee Relations	$125,342.55	$218.31	$125,560.86
D'souza, Irene	Medical Consultant	$116,012.16	$204.10	$116,216.26
Dudley, John	Assoc Dir/Physician	$129,134.70	$224.43	$129,359.13
Fahmy, Nadia	Dir Admin Svcs	$100,615.65	$174.19	$100,789.84
Fedder, Jonathan E.	Managing Dir Legal	$101,244.69	$0.00	$101,244.69
Flynn, Miriam E.	Legal Counsel 2	$105,013.62	$183.74	$105,197.36
Garg, S. K.	Medical Consultant	$122,205.18	$212.03	$122,417.21
Geary, Judy	GM CCP & Spec Claims Svcs	$157,837.01	$233.22	$158,070.23
Germansky, Martin	Medical Consultant	$120,892.85	$212.03	$121,104.88
Gibbs, Harry	VP Investments	$226,812.11	$321.14	$227,133.25
Gregoire, Jean	Chief Actuary	$229,466.57	$254.32	$229,720.89
Hadjiski, Anna	Medical Consultant	$124,991.84	$219.05	$125,210.89
Hall, Nick M.	Dir Automotive Sctr	$103,811.91	$182.34	$103,994.25
Hawkins, Adam J.	Dir Realty Invest	$136,806.39	$188.55	$136,994.94
Heckadon, Robert	Assoc Dir/Physician	$143,998.33	$0.00	$143,998.33
Hickman, Robert	Medical Consultant	$115,965.88	$204.10	$116,169.98
Higgins, Jodi	Dir Small Business	$100,589.98	$173.29	$100,763.27
Ho Kim, Thu Lan	Medical Consultant	$113,060.10	$197.25	$113,257.35
Ho, Michael	Medical Consultant	$124,991.84	$219.05	$125,210.89
Holyoke, Paul	General Counsel	$203,860.56	$276.43	$204,136.99
Horseman, Brock C.	Sr VP Operations	$300,805.49	$376.42	$301,181.91
Jolley, Linda	VP Policy & Research	$192,254.03	$251.83	$192,505.86
Jones, Derek	Medical Consultant	$108,319.30	$197.25	$108,516.55
Kanalec, Andrew D.	Assoc Dir/Physician	$136,438.63	$239.20	$136,677.83
Karr, A. Wm.	Medical Consultant	$120,892.85	$212.03	$121,104.88
Keatings, Margaret	Dir Prof Practice/CNO	$100,754.70	$175.86	$100,930.56
Kelly, J. Brian	Assoc Dir/Physician	$140,929.36	$247.13	$141,176.49
Kempster, Geoff	Dir Manufacturing Sctr	$102,459.08	$178.48	$102,637.56
Kosmidis, Elizabeth	Legal Counsel 2	$107,535.85	$183.95	$107,719.80
Kulynych, Heidi	Exec Asst (CEO)/Dir Corp Office	$111,080.00	$182.52	$111,262.52
Kwong, Paul	Project Dir	$113,905.17	$167.68	$114,072.85
Lamanna, Pat	Dir Small Business	$105,450.27	$184.05	$105,634.32
Lamoureux, Linda	Dir Special Invest'n	$153,665.86	$240.47	$153,906.33
Leshchyshyn, Dana	Dir Ind Sctr Construction	$106,676.85	$187.83	$106,864.68
Levitsky, Marianne	Dir Best Practices	$107,337.46	$175.43	$107,512.89
Lewis, Owen	Dir Applications Dev	$105,309.32	$177.52	$105,486.84
Londry, David	Dir Client Server Dv	$113,113.67	$185.53	$113,299.20
Lortie-Monette, Francine	Medical Consultant	$116,012.16	$204.10	$116,216.26
Lovelock, Ronald	Dir Prevention Svcs	$103,967.09	$173.63	$104,140.72
Luck, Mary	Dir Svcs Sctr	$107,038.11	$185.66	$107,223.77
MacArthur, Angus	Medical Consultant	$124,991.84	$219.05	$125,210.89
Maehle, Waldemar	Medical Consultant	$111,783.81	$196.17	$111,979.98
Malayil, Ammini	Medical Consultant	$124,991.84	$219.05	$125,210.89
Martin, Peter J.	Dir Compensation	$122,478.06	$194.19	$122,672.25
Mastrilli, Arcangelo	Medical Consultant	$124,531.18	$212.03	$124,743.21
McAdam, Roberta	Dir Revenue Audit Svcs	$103,441.21	$182.31	$103,623.52
McCarthy, Jane	GM Hlth Svc Adm/Sp Prog	$114,667.43	$199.58	$114,867.01
McCullough, Corinne	HPT Process Consultant	$102,080.73	$176.45	$102,257.18
McKenna-Boot, Patricia	Medical Consultant	$111,783.81	$196.17	$111,979.98
McMurtrie, Robert	Dir Financial Services	$111,498.47	$168.27	$111,666.74
Meenan, John J.	Medical Consultant	$113,073.22	$199.24	$113,272.46
Mitchell, William	Dir Applications Dev	$112,029.22	$185.08	$112,214.30
Morden, Donald Lawrence	VP Human Resources	$200,860.52	$275.45	$201,135.97
Morrison, Richard	Dir Small Business	$100,127.49	$176.21	$100,303.70
Mould, Roy	VP Prevention	$175,862.11	$249.22	$176,111.33
Poirvin, Catherine	Dir Clinical Resources	$147,453.25	$254.94	$147,708.19
Prichett, Barry	Medical Consultant	$120,892.85	$212.03	$121,104.88
Pushka, Wayne	Asst Dir & Chief Investigation	$100,332.87	$173.28	$100,506.15
Ramsey, Willard	Chief Actuary	$126,675.49	$222.94	$126,898.43
Roy, Marie	Medical Consultant	$134,526.84	$219.05	$134,745.89
Scullion, Catherine	Medical Consultant	$103,187.77	$177.69	$103,365.46
Sgro, Joseph	Dir Quality Improvement	$108,987.48	$182.26	$109,169.74
Shapiro, Gary	Medical Consultant	$120,892.85	$212.03	$121,104.88
Sherwin, Linda	Medical Consultant	$111,783.81	$196.17	$111,979.98
Simmons, Wayne B.	Dir Bonds & Money Mkt	$141,353.01	$239.01	$141,592.02
Slinger, John	Dir Appeals	$123,097.27	$201.40	$123,298.67
Sitsila, Dave	Board Auditor	$143,263.92	$221.87	$143,485.79
Sutherland, Doris	Medical Consultant	$124,991.84	$219.05	$125,210.89
Taraschuk, Ihor	Medical Consultant	$111,783.81	$196.17	$111,979.98
Thakur, Ranasree	Medical Consultant	$122,552.05	$215.54	$122,767.59
Thomas, Roy E.	VP Communications	$135,217.37	$199.88	$135,417.25
Thomson, Garry	GM Industry Sector	$152,054.40	$227.76	$152,282.16
Todorovic, Slavica	Dir Benefits Policy	$108,640.01	$189.65	$108,829.66
Walker, John	Medical Consultant	$120,792.85	$212.03	$121,004.88
Weatherbee, Wayne	GM Small Business Svcs	$155,224.77	$229.32	$155,454.09
Welton, Ian	Dir Rev Policy	$110,157.58	$189.65	$110,347.23
Williams, David	President & CEO	$752,435.97	$701.61	$753,137.58
Wright, Glen	Chair of the Board	$123,215.04	$0.00	$123,215.04

** The amount shown as earnings in this disclosure statement may not represent the individual's actual annual rate of salary. The earnings required to be made public under the *Public Sector Salary Disclosure Act, 1996* reflect the amount reported to Revenue Canada on the employer's T4 slip for an employee. The earnings shown in this statement may therefore include non-recurring payments in 2000 for retroactive pay from a reclassification or a grievance settlement or a payout upon retirement. The earnings shown may be less than the individual's annual rate of salary if the individual worked only part of the year.